

# HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION

England & Wales · Charity number 1114463

## Details

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Status	Registered
Legal form	Charitable company
Company number	<a href="#">05787972</a>
Registered	2006-06-01
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Website	<a href="http://www.hfma.org.uk">www.hfma.org.uk</a>

## Activities

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**Objects:** 3.2 The advancement of the science of healthcare management, governance, healthcare finance and accountancy and related areas including but not limited to: 3.2.1 the advancement of education (in particular for employees engaged in provision of health services) in healthcare management, governance, healthcare finance and accountancy and related areas; 3.2.2 the promotion of study and research in healthcare management, governance, healthcare finance and accountancy and related areas; and 3.2.3 the provision of continuous professional development.

**Activities:** HFMA is the professional membership organisation for finance staff in the healthcare sector. The organisation offers training and publications both to its members and the wider healthcare finance community. HFMA sponsors, undertakes and publishes relevant studies and research work and aims to advance effective financial management in the healthcare sector.

## Classification

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- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** Other Defined Groups

## Geography

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- Northern Ireland
- Scotland
- Throughout England And Wales

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-06-30	£8,379,000	£8,380,000	£5,032,000	82
2024-06-30	£9,179,000	£8,808,000	£5,031,000	88
2023-06-30	£8,687,000	£8,309,000	£4,660,000	79
2022-06-30	£7,170,000	£6,753,000	£4,244,000	71
2021-06-30	£5,453,000	£5,411,000	£3,954,000	67

## Trustees

Name	Role	Appointed
Amy Whitaker		2025-12-04
Catherine Phillips		2023-12-07
Claire Louise Wilson		2018-12-07
Craig Marriott		2025-12-04
David Chandler		2020-12-10
Dawn Scrafield		2021-12-09
Dr Kavita Keren Gnanaolivu		2019-12-06
Eimear McCauley		2024-12-05
Lee Outhwaite		2016-12-09
Lee William Bond		2018-12-07
Nicci Briggs		2022-12-08
Nicky Lloyd		2024-12-05
Peter Ridley		2021-12-09
Sanjay Agrawal		2016-12-09
Simon Paul Crowther		2019-12-06
Terry Whittle		2025-12-04

**HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION**

England & Wales - Charity number 1114463

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# Accounts

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Company Number 5787972

# Healthcare Financial Management Association

Trustees' report and financial statements for  
the year ending 30 June 2025

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## HFMA

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# Senior executives and Board of Trustees

## Board of Trustees and directors

### Presidents

2024/25: Lee Outhwaite  
2023/24: Claire Wilson  
2022/23: Lee Bond

### Vice presidents

2024/25: Simon Crowther  
2024/25: Catherine Phillips  
2023/24: Lee Outhwaite  
2023/24: Simon Crowther  
2022/23: Claire Wilson  
2022/23: Lee Outhwaite

### Immediate past presidents

2024/25: Claire Wilson  
2023/24: Lee Bond  
2022/23: Owen Harkin

### Chair of Audit and Finance Committee

Dawn Scrafield

### All trustees and directors

Sanjay Agrawal  
Lee Bond  
Nicci Briggs  
David Chandler  
Simon Crowther  
Kavita Gnanaolivu  
Bill Gregory (resigned 5 December 2024)  
Owen Harkin  
Kim Li  
Nicky Lloyd (appointed 5 December 2024)  
Richard McCallum (resigned 5 December 2024)  
Eimear McCauley (appointed 5 December 2024)  
Lee Outhwaite  
Catherine Phillips  
Peter Ridley  
Dawn Scrafield  
Wendy Thompson (resigned 5 December 2024)  
Claire Wilson

## HFMA Senior Executive Team

### Chief executive/ Secretary

Mark Knight

### Deputy chief executive & director of finance

Ian Turner

### Director of policy and communications

Emma Knowles

### Director of operations One NHS Finance

Camilla Godfrey

## Advisors

### Banker

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

### Solicitor

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

### Auditor

RSM UK Audit LLP Chartered Accountants  
Second Floor, 1 The Square, Temple Quay, Bristol, BS1 6DG

## Registered charity name and registered office

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

### Registered office:

HFMA House, 4 Broad Plain, Bristol, BS2 0JP  
Tel: 0117 929 4789  
Fax: 0117 929 4844  
Email: [info@hfma.org.uk](mailto:info@hfma.org.uk)  
Web: [www.hfma.org.uk](http://www.hfma.org.uk)

# Report of the president for the year ended 30 June 2025

The year to 30 June 2025 was the last year of the HFMA's three-year strategy *Picking up the pace* and our 75<sup>th</sup> anniversary year. I am delighted to be able to say that all the key objectives set three years ago have been achieved and it has been my pleasure to have been leading the HFMA in its 75<sup>th</sup> year of serving the healthcare finance community.

One major objective set for the three years was to not just maintain all our membership benefits but, where possible, to advance them further. This has been achieved, including the launch and development of free membership for all those working in bands 2 to 6 in the NHS. At 30 June 2025 the HFMA had 5,793 members in this category which is a huge step forward. It means the HFMA is in a very good place with a strong membership within the ranks of the future leaders of the finance function, as well as maintaining our usual strong engagement with our senior finance leader community.

Another key objective set in the strategy was to invest in and improve the digital infrastructure of the association. In previous reports we have talked about the new website and content management system project with an investment of £300,000, which was completed in December 2023 and the streamlined learning management system which was completed in June 2024 with spend of £345,000. This year we approved a business case and laid the groundwork for a new finance system with a budget of £280,000, which is expected to be live by 30 June 2026. This investment in information technology and digital infrastructure ensures a better and more personalised service to our members, which is what our membership asked for.

Financially, the strategy for the three years to 30 June 2025 was to make surpluses to bring the reserves back to pre-pandemic levels. This was achieved in the year to 30 June 2024. Therefore the business plan for the year to 30 June 2025 was to financially break even. The statutory accounts show a surplus of £1,000 for the year to 30 June 2025 with reserves of £5,032,000. The trustees set this balanced budget for the year as they felt the level of reserves – which had been restored to pre-pandemic levels – were sufficient to allow the association to weather future financial storms. It was also felt this was a period in the life of the NHS where the membership needed as much support as possible and so the financial contribution from activities were all spent in year to provide as many services to the membership and wider finance community in the NHS as possible.

As usual a full business plan was prepared at the beginning of the year and each of the 13 branches also completed a business plan. The branches, which continue to be the cornerstone of the HFMA and are made up of ten English regions and the three devolved nations.

When we develop our business plan, we set key performance indicators in addition to financial targets, which we measure ourselves against each year. These show that, as at 30 June 2025, we had a record 28,171 members (full and associate) and supported them and others with 176,398 hours of continuing professional development and the production of 60 new policy briefings and publications. We also had an average of 108 students studying for our qualifications over the year.

We ask attendees and users of all our activities to give us feedback. Over the last year 95% of delegates rated our events as 'good' or 'excellent'. Also 95% of learners rated our bitesize e-learning as 'good' or 'excellent'. We are very proud of these statistics.

During the year to 30 June 2025, we also continued to host, work alongside and support One NHS Finance with the delivery of its programme of work in England. This encompasses Future-Focused Finance, the National Finance Academy and the Finance Innovation Forum. We are proud to be a part of this exciting set of programmes.

With support from members, the association was also able to significantly increase the public benefit of its activities. This was evidenced by the levels of social media traffic and the downloads of free material from our website.

Our 75<sup>th</sup> year celebrations have given us an opportunity to reflect on how the NHS has evolved throughout the HFMA's history and the role we have played as a finance community. The NHS has transformed beyond recognition over this time – the same is true of the finance function and the HFMA – but as ever there is more to do.

The NHS is facing a challenging time. NHS organisations across all four nations of the UK are focused on the continuing challenges of rebuilding the NHS after the Covid-19 pandemic and reestablishing a more sustainable financial footing. As finance professionals we have a key role to play in leading this and driving a value-based approach to tackle the burden of socially determined disease and deliver sustainable services. This was reflected in the theme for the year of *Values and Value*. I'm proud of the work the association has carried out to support members with these challenges and this work will continue.

Another focus this year has been the development of our new strategy for 2025 to 2030, *Preparing for the future*. The strategy builds on the stable foundations built over the last 75 years and recognises the challenges and opportunities for finance staff over the years ahead. It sets out how the association will support members and the wider health and care finance community. Through delivering this strategy we will continue to work hard to support our members as the NHS works through its current challenges.

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

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



**President**

Lee Outhwaite

# Report of the trustees for the year ended 30 June 2025

The Trustees' report also contains the Directors' report as required by company law. The Trustees are also directors of Healthcare Financial Management Association for the purposes of company law.

## Objects and aims

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

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

## Strategic report

### Achievements and performance in the year

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

#### **To provide excellent members networks and services**

The number of individual members of the HFMA at the end of the year totalled 28,171 (2023/24: 25,069).

We were very pleased that our investments over the years in IT and digital mechanisms, such as Microsoft Teams, our Learning Management System (enabling our e-learning bitesize and qualifications), webinars, social media and the website have allowed us to continue delivering member benefits and indeed a wider public benefit to all in and outside the NHS over the last year.

Our website had 382,393 (2023/24: 403,551) visits over the year and 11,676 (2023/24: 10,348) LinkedIn members.

Our organisation facing offerings continue to be very popular. Virtually every NHS organisation is now a member of the HFMA Partner Programme and over half are members of our Value Institute.

#### **To become the voice of healthcare finance through the development of leading-edge policy and technical work**

Our policy and technical work goes from strength to strength and the quantity of outputs continues to rise. We pride ourselves on the quality of work which is recognised by our members and other key stakeholders notably NHS England.

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

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

Scotland, as well as England.

In England, we continued to work with key players in the healthcare sector such as the Department of Health and Social Care. We are delighted to continue to be the prime partner for One NHS Finance (ONF) continuing to provide the administration and delivering a big part of the programme.

We also continue to work closely with the main accountancy bodies, NHS Confederation, other Associations such as the Health Care Supply Association (HCSA) and the Kings Fund as well as a number of key private sector organisations in moving the finance agenda in health forward.

We continued developing our library of books, reports and briefings, producing 55 briefings and publications in the year.

#### **To create relevant and affordable development and qualification opportunities**

We continue to deliver the HFMA Diploma (DHBF) and Higher Diploma in Healthcare and Business Finance (HDHBF).

During the year to 30 June 2025, we had an average of 108 (2023/24: 101) students studying for our qualifications.

The association continues to be the place most NHS finance staff go to satisfy their CPD requirements. Total CPD hours delivered in the year reached 176,398 (2023/24: 227,044). This is one of the key statistics that demonstrates the continuing interest our membership and the wider finance community in health has for the HFMA's training; be it events, webinars, qualifications or e-learning bitesize. Just as importantly the HFMA targets a 90% excellent/good score from user feedback. Over the year to 30 June 2025 the average over all events was 95% a statistic we are very proud of.

Over the year we ran a vast array of face-to-face and online events. The most popular events include our National Annual conference in December and our Pre-Accounts Planning event in February along with numerous technical events run through our 13 branches, regional skills development networks and academies.

Our e-learning modules in our Learning Library have proven to be very sought after by the NHS finance function over the year.

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

The bitesize e-learning modules continue to be improved and updated on an annual basis, drawing on technical expertise from our content team, our members and the graphical skills of instructional designers.

# Report of the trustees for the year ended 30 June 2025

During the year we worked closely with the NHS finance function and ONF. We continue to host ONF.

We also run a number of other programmes for the NHS across the UK: the Regional Finance Academies, Skills Development Networks (SDNs) and Finance and Management Training Schemes (FMTS). The FMTS schemes now also incorporate apprenticeship schemes.

## Managing ourselves effectively as a business

This is the fourth and final objective and covers the enabling functions of the business.

The financial element of this objective is covered separately below.

As noted above the focus during the current strategy is to further develop the HFMA's digital capabilities. As well as ensuring the solid foundation of software and hardware infrastructure has been maintained during the year, there have also been some major capital investments. These include the new website and the new learning management system.

The final stage of this work is to replace the accounting software. A business case for £280,000 of spend was approved by the trustees during the year and the project was launched in the last quarter of the year. The development work straddles two years and the new system is expected to be live by 1 July 2026.

The Human Resources function has been very busy over the year. The hybrid working that was set up following the move into HFMA House continues to be effective and ensures that our teams can work efficiently and flexibly from any location. We continue to have a policy that teams are in the office together at least one day a week. This works well for the HFMA but is continually reviewed to ensure the working practices that produce the most productive and happy team is in place.

Our staff continue to be our most valuable resource, and a full review continues to take place each year to ensure terms and conditions, remuneration and benefits for staff are appropriate and at least match the market.

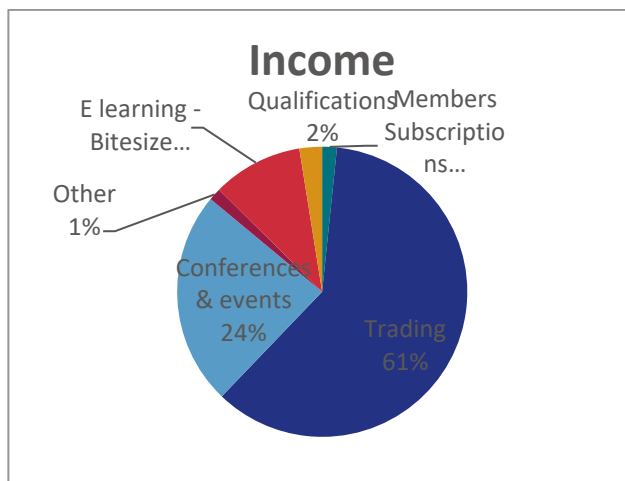
## Financial review

The result for the year is a surplus of £1,000 (2023/24 a surplus of £371,000).

This means reserves are now at £5,032,000 which ensures the HFMA is in a good place to cover any future financial shocks.

At the end of the year to 30 June 2024 it was concluded that reserves were sufficient and there was no need to make surpluses to further bolster them, therefore, a breakeven budget was set for the year to 30 June 2025. This ensured that the level of activity and support to members could be maintained despite a drop in income.

The pie-chart below shows the split of income across the main activities delivered by the HFMA.

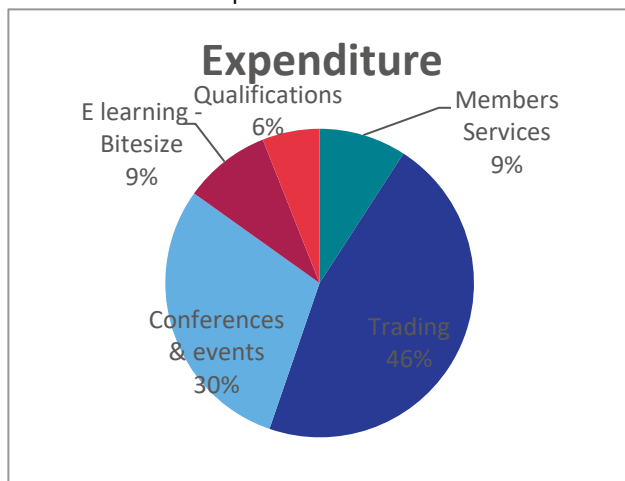


Conferences and training events income in 2024/25 totalled £1,999,000 (£2,342,000 in 2023/24). Which relates to face-to-face events year on year and NHS commissioned activities. These are at a lower level than the year before reflecting the fact that NHS staff were finding it harder to find the time to get out of the office and find the financial resources to attend events.

E-learning (Bitesize) income totalled £843,000 in 2024/25, (£900,000 in 2023/24) which is a small decrease year on year and Qualifications income at £212,000 in 2024/25 (£277,000 in 2023/24) are both down year on year reflecting again the fact that NHS organisations have less resources to spend on training this year compared to the previous year.

The income from the trading subsidiary HFMA Ltd is below the previous year at £5,072,000 for 2024/25 (£5,189,000 in 2023/24). This reflects the trading at 110 Rochester Row which has not reached the levels of previous and is still some way off the level of activity achieved pre-pandemic. A review of 110 Rochester Row has concluded that the conference centre was closed in the summer of 2025 post year end and alternative uses found for the premises.

The breakdown of expenditure is shown below:



# Report of the trustees for the year ended 30 June 2025

By far the greatest activity in terms of income, other than the trading activities in the subsidiary companies noted above, is conferences and events. Expenditure totalled £2,480,000 in 2024/25 (£2,714,000 in 2023/24). This reduction in costs reflects the same point noted above that the numbers attending face to face events has fallen year on year as a result of NHS staff finding it difficult to carve out time and a budget to support them in training activities.

Members subscriptions totaled £137,000 in 2024/25 (£162,000 in 2023/24) despite the number of full time members being greater year on year. This is due to large number of Bands 2-6 members of staff taking advantage of the free membership offering whereas in previous years they would have paid.

The costs of member services are above the previous year at £955,000 in 2024/25 (£953,000 in 2023/24). Which reflects some staff vacancies during the year in the Policy and Technical team.

It is congruent with the objects and aims of the charity and the Charity Commission's guidance on public benefit, that subscriptions paid by members cover only a small percentage of the costs of providing member services with the surpluses achieved in the trading operations of the HFMA subsidising the balance of the costs. The trading surpluses are also used to subsidise conferences and events which also run at a planned loss as noted above.

The costs of e-learning Bitesize packages are a little down year-on-year at £533,000 in 2024/25 (£586,000 in 2023/24).

It should be noted that the surplus in the trading subsidiary HFMA Ltd of £901,000 in 2024/25 is very similar year on year (£905,000 in 2023/24).

This surplus is passed by gift aid to the HFMA and is used by the charity to subsidise the cost of activities and services provided to the members of the HFMA as noted above.

The financial statements have been prepared in accordance with relevant law and current accounting conventions and in particular the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)).

## Public benefit

To meet the objective of providing public benefit, the HFMA offers training courses through branch and national events in the form of conferences and seminars, webinars, training publications and materials and online through our e-learning service.

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

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

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

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

The activities and achievements of the charity in the year to 30 June 2025 are detailed in the president's report with commentary as to how the objectives set were met. These achievements demonstrate how successful the HFMA has been in fulfilling its objectives and providing a public benefit.

## Future plans

The year to 30 June 2025 is the final year of the strategy for the three years to 30 June 2025.

A new strategy for the five years to 30 June 2030 was developed over the year. A full consultation with members and key stakeholders took place in producing this strategy and a detailed business plan for the first year to 30 June 2026 has been produced.

The strategy for the five years to 30 June 2030 reiterated the HFMA vision of *better quality healthcare through effective use of resources*. In achieving this the strategy emphasised the values of HFMA, which can be summarised in four statements:

- High Quality – we aim for excellence and continuous improvement, innovation and professionalism in all our work,
- Member focused – we aspire to put members at the heart of everything we do,
- Fair – we value diversity and strive to do the right thing by being honest, open and independent,
- Accessible – we aim to be friendly, caring, supportive and collaborative.

The plans for the year ahead for each of the five overriding objectives that were set in the strategy and business plan for the year are detailed below:

- **To provide excellent member networks and services:** At a time of ever-growing financial pressure in the NHS it is important that HFMA retains its focus on supporting members Nationally and through the thirteen strong branch network. In terms of membership, our clear strategy will be to maintain our existing level of membership both in bands 7 and above and in the free band 2-6 and apprenticeship category. We will also continue working closely with the other main supporters of finance professionals in the NHS particularly ONF. We will also develop partnerships with like-minded organisations and particularly other charities and associations supporting the NHS back office functions.
- **To continue to be the influential voice of healthcare finance, facilitating change through**

# Report of the trustees for the year ended 30 June 2025

**leading edge policy and technical work:** The HFMA provides material that is relevant and timely for members and those in healthcare and particularly the NHS who are interested in NHS Finance. It is planned to keep up with demand for specific publications and training packages during the following year. A clear focus will be to support the NHS and the wider community in their understanding of the impact of the overall NHS move towards more place-based structures. We aim to ensure our outputs provide the best support to our members and the organisations they work for. We will continue to work closely with the NHS leadership teams and like-minded organisations in developing and influencing policy and we will be continuing to foster relationships with other organisations, such as the accounting bodies and medical.

- **To manage ourselves effectively as a business:** It is recognised in the strategy that we can only deliver the services and support our members effectively if we can run ourselves efficiently as a business. This means continuing to be financially sustainable, keeping our assets safe and in the best shape possible and looking after our people. It was also recognised that although the HFMA has strong digital capabilities with an up to date infrastructure after considerable investment over the last three years, there is more work to do. Therefore, over the next period there will be new finance system put in, further work to improve our digital capabilities around our data, maintaining of our cyber-essentials plus accreditation and working with artificial intelligence and machine learning technologies.
- **To create and deliver relevant and accessible development and networking opportunities for the association and OneNHSFinance:** The full conference and seminar programme, locally at branches and nationally, will be followed and the balance between delivery as face to face and virtually will be constantly monitored and advice taken from members. We will continue assisting the Regional Academies incorporating local SDN and FMTS groups. Each branch will run a minimum of four events of which at least one will be fee free. We will also be looking to further develop our partner programme and we will continue to work closely with the Department of Health and Social Security in hosting OneNHSFinance.
- **To provide quality education and qualifications.** We will further develop our e-learning Bitesize products in the new Learning Library and further develop our programmes and maintain our existing qualifications. Our usual programme of updating existing material will also take place to ensure that the training we deliver is up to date and of the highest quality. We will also look to work alongside partner organisations to ensure that our finance content is available to support NHS colleagues outside the NHS finance function.

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

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

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

## Reserves and going concern

The HFMA's total reserves which had been built up slowly over many years were severely reduced in the year to 30 June 2020 by £779,000 as a direct result of lost revenue due to the impact of Covid-19. The results for the years to 30 June 2021, 2022, 2023 and 2024 have been surpluses meaning which when added together have more than achieved the goal of replenishing the reserves which now stand at £5,032,000 (2023/24 £5,031,000).

All reserves are held in funds whose use is at the discretion of the Trustees as long as they are used as laid out in the objects and aims of the charity. The reserves policy below is set by the Trustees.

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

All funds are unrestricted income funds. These are split into the following: general fund, branch fund and bursary fund.

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

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

The Trustees consider it is appropriate to treat the Charity as a going concern.

This is due to the Trustees and Senior Management team having a clear understanding of the risks facing the organisation and robust cash management plans.

The largest uncertainty facing the Charity is the ability to run events at the Conference Centre in London, 110 Rochester Row. However, stress testing the budget and resulting cash

# Report of the trustees for the year ended 30 June 2025

flow forecasts for this risk, alongside considering other downside risks, shows that the HFMA has cash reserves available for the period to 30 June 2026.

It is also worth noting that net reserves at 30 June 2025 total £5,032,000 (£5,031,000 at 30 June 2024) and fixed assets total £6,991,000 (£7,148,000 at 30 June 2024). Therefore, there are no "free" reserves. However, the cash balance at 30 June 2025 totals £2,688,000 (£2,601,000 at 30 June 2024) and if needed the HFMA has fixed assets investments which could be sold if further cash was required. The value of these investments at 30 June 2025 was £2,077,000 (£2,121,000 at 30 June 2024).

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

## Trustees' responsibilities in relation to the financial statements

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees 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 trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and group's transactions and disclose with reasonable accuracy at any time the financial

position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware:

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

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

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

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

## Investment policy

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

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

Any major capital investment over £75,000 requires Trustee approval and should be supported by a business case and with appropriate professional advice.

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

The Trustees will make no direct investment in companies whose products or services are accepted as being prejudicial to good health. In considering collective

# Report of the trustees for the year ended 30 June 2025

investments the Trustees will consider the nature and significance of the health risks associated with the products or services of any such company whose shares form a component of the collective investment.

## Constitution and governance

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

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

During 2024/25, the Board of Trustees comprised the National President, two Vice-Presidents, Past Chair and Chair of the Audit and Finance Committee, who are nominated by the membership as a whole, and a representative from each of the three devolved nations who are elected by their branches and seven Trustees who are appointed by Board of Trustees. All the Trustees are directors of the HFMA.

During the year the Board usually meets formally four times. When appropriate or necessary additional Board meetings are called. These meetings along with briefing papers for the Board ensured the Trustees were fully briefed on the risks and actions being taken and fully involved in decision making over this period.

Over the year, in addition to regular Board meetings, the Audit and Finance Committee and the Appointments and Remuneration Committee met four times. These two committees have delegated powers and responsibilities that are documented and approved by the Board.

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

The day to day running of the HFMA is delegated by the Board to the CEO and Senior Management Team. Senior Management Team meetings take place monthly.

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

The 13 branches have their own volunteer branch executives usually comprising a branch chair, a branch treasurer and a branch secretary.

The year to 30 June 2025 was the last year of the 2023-25 strategy.

As noted above the new strategy for the five years to 30 June 2030 has now been prepared. The strategy has been communicated to every member of the HFMA and further details can be found on the HFMA's website [www.hfma.org.uk](http://www.hfma.org.uk). Each year staff are involved in delivering and updating progress against the strategy. As usual the annual business plan for the year ahead was also agreed as were individual business plans for each branch.

There is a Scheme of Delegation which states the level of authority required for decision making and expenditure which is reviewed by the Trustees each year. Each activity undertaken by the HFMA is monitored on a regular basis and each Manager has specific responsibility not only for the short-term management of the risk profile but also for the long-term prognosis of these individual income and cost lines. Physical risk is covered by specific systems for example in IT recovery and backup, emergency procedures and the provision of comprehensive insurance for assets and personnel.

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

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

## Risk management

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

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

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

The largest risk facing the HFMA at the time of writing is the financial pressures facing public services in the UK and particularly the NHS as the HFMA receives considerable income from activities purchased by the public sector.

The Business Continuity Plan is kept up to date and is designed to ensure under any circumstance the HFMA can

# Report of the trustees for the year ended 30 June 2025

maintain its operations.

## Services provided by other bodies

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

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

## Branches

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

## Auditor

A resolution proposing that RSM UK Audit LLP be reappointed as statutory auditor of the Charity will be put to the Annual General Meeting on 5 December 2025.

The Trustees Report and the Strategic Report contained within it were approved by the Board on 4 November 2025 and signed on its behalf by:



Dawn Scrafield

**Trustee and Chair of the Audit Committee**

# Financial statements: Statements of financial activities

## Consolidated and charity statements of financial activities for year ended 30 June 2025 (including Income and Expenditure Accounts)

2023/24		2024/25			
Unrestricted funds		Unrestricted funds			
Association	Consolidation	Notes	Association	Consolidation	
£000	£000		£000	£000	
					<b>INCOME</b>
					<b>Income from raising funds</b>
					Voluntary income
162	162		137	137	Member Subscriptions and donations
					Activities for generating funds
-	5,189			5,072	Trading Turnover: HFMA Ltd (excluding qualifications)
					Investment income
186	122		164	105	Investment income and interest received
905	-		901		Gift Aid from subsidiary to association
					<b>Income from charitable activities</b>
2,348	2,342		2,001	1,999	Conferences and seminars
900	900		843	843	E-Learning (Bitesize)
1	1		-	-	Member services including publications and magazine
-	277		-	212	Qualifications
30	4		37	11	Other income
<b>4,532</b>	<b>8,997</b>		<b>4,083</b>	<b>8,379</b>	<b>TOTAL INCOME</b>
					<b>EXPENDITURE</b>
					<b>Cost of raising funds</b>
(220)	(220)		(231)	(231)	Costs of generating voluntary income
					Costs of fundraising trading
-	(4,078)		-	(3,866)	HFMA Ltd (excluding qualifications)
(28)	-		(28)	-	Management costs (depreciation)
					<b>Cost of charitable activities</b>
(2,776)	(2,714)		(2,526)	(2,480)	Conferences and seminars
(586)	(586)		(533)	(533)	E-Learning (Bitesize)
(733)	(733)		(764)	(764)	Member services including publications and magazine
-	(477)		(2)	(506)	Qualifications
<b>(4,343)</b>	<b>(8,808)</b>		<b>(4,084)</b>	<b>(8,380)</b>	<b>TOTAL EXPENDITURE</b>
					<b>Recognised gains on investments</b>
-	-		14	14	
182	182		(12)	(12)	<b>Unrecognised (losses)/gains on investments</b>
<b>371</b>	<b>371</b>		<b>1</b>	<b>1</b>	<b>NET INCOME</b>
<b>371</b>	<b>371</b>		<b>1</b>	<b>1</b>	<b>NET MOVEMENT IN FUNDS</b>
4,660	4,660		5,031	5,031	<b>Balance brought forward at 1 July</b>
<b>5,031</b>	<b>5,031</b>		<b>5,032</b>	<b>5,032</b>	<b>FUND BALANCE CARRIED FORWARD AT 30 JUNE</b>

All the above results derive from continuing activities and there were no gains or losses other than those shown above.

The notes on pages 14 to 30 form part of these accounts.



# Financial statements: Statement of cash flows

## Consolidated Statement of Cash Flows for the year ended 30 June 2025

<b>2023/24</b>		Notes	<b>2024/25</b>
<u>£000</u>			<u>£000</u>
82	Net cash inflow/(outflow) from operating activities	14	53
	<b>Cash flows from investing activities</b>		
71	Interest received		91
57	Dividends received		60
<u>(513)</u>	Purchase of tangible fixed assets		<u>(117)</u>
<b>(385)</b>	<b>Net inflow/(outflow) from investing activities</b>		<b>34</b>
<b>(303)</b>	<b>Increase/(Decrease) in cash</b>		<b>87</b>

The notes on pages 14 to 30 form part of these accounts.

## Reconciliation of net cash flow to movement in cash

<b>2023/24</b>		<b>2024/25</b>
<u>£000</u>		<u>£000</u>
2,904	Cash at the beginning of the year	2,601
<u>(303)</u>	Decrease in cash in the year	<u>87</u>
<b>2,601</b>	<b>Cash at the end of the year</b>	<b>2,688</b>

## Analysis of changes in net debt

	As at 30 June 2024	Cash flows	As at 30 June 2025
	£000	£000	£000
<b>Cash and cash equivalents</b>			
Cash	2,601	87	2,688
<b>Total</b>	<b>2,601</b>	<b>87</b>	<b>2,688</b>

	As at 30 June 2023	Cash flows	As at 30 June 2024
	£000	£000	£000
<b>Cash and cash equivalents</b>			
Cash	2,904	(303)	2,601
<b>Total</b>	<b>2,904</b>	<b>(303)</b>	<b>2,601</b>

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 1 Accounting policies

### a) General information

The HFMA is a limited company and charity incorporated in England and Wales. It is also a Charity in Scotland. The address of HFMA's registered office is. HFMA House, 4 Broad Plain, Bristol, BS2 0JB The principal places of business of the HFMA is HFMA House, 4 Broad Plain, Bristol, BS2 0JB.

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

### b) Basis of preparation

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

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

### c) Going concern

The accounts have been produced on the basis that the charity is a going concern. This is as a result of the trustees having a clear understanding of the risks facing the organisation and the existence of robust cash management plans. The Charity also has budgets and resulting cash flows which have been stress tested for the year ahead which support this view.

The largest uncertainty facing the Charity since the pandemic has been the ability to make the Conference Centre in London, 110 Rochester Row run profitably. Since the year end it was decided to close the conference centre and find alternative uses for the property which has reduced this risk.

The other key risk is the impact of the financial challenges facing the NHS and the impact on HFMA. However, stress testing the budget and resulting cash flow forecasts for this risk, alongside considering other downside risks, shows that the HFMA has cash reserves available at least through to 30 June 2027.

After taking into account the stress testing, there is still headroom over the period to 30 June 2027. If an unforeseen risk occurs or the risks considered in the stress testing are of a larger quantum than considered, the HFMA has the ability to sell some or all of its fixed assets investments if further cash was required. The value of these investments at 30 June 2025 was £2,077,000. It is worth noting that these investments if realised and turned into cash would turn the net current liabilities position of the Charity into a net current assets position at 30 June 2025. It is also worth noting that included in current liabilities in the balance sheet is £4,696,000 of deferred income, which if added back would also turn the net current liabilities position into a net current assets position.

### d) Reduced disclosures

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

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

### e) Functional and presentational currency

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

### f) Financial instruments

The HFMA has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

Instruments Issues' of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Group becomes a party to contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 1 Accounting policies (continued)

### f) Financial instruments (continued)

#### Financial assets

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

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

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

#### Financial liabilities

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

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

### g) Group financial statements

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

### h) Income

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

- Membership income is treated as voluntary income and are deferred over the period that services are provided.
- Association and branch event income received is deferred if in advance of the date of the event, this income is recognised in the period which the event is held.
- Partner programs membership fees are deferred over the period that services are provided.
- Grant income is recognised on receipt unless the donor imposes conditions which must be met before the charity has unconditional entitlement.
- Income from training and education (including publications, qualifications and e-learning packages) is recognised when invoiced.
- Investment income is recognised on a receivable basis.
- Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

### i) Volunteers

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

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 1 Accounting policies (continued)

### j) Expenditure

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

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

### k) Leased buildings and equipment

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

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

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

### l) Tangible fixed assets

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

Depreciation on these assets is calculated as follows:

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

### m) Intangible fixed assets

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

### n) Investments

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

### o) Stock

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

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 1 Accounting policies (continued)

### p) Funds structure

All funds are unrestricted income funds. These are split into undesignated (the general and branches funds) and designated funds (the bursary and deep reserve funds). The general and branches funds should be built up to at least six months' worth of total annual costs of the HFMA to cover short-term falling off in demand for the services offered. The bursary fund is to support those with low incomes accessing the services of the HFMA or assisting members in activities that benefit healthcare in the UK that they would not be able to perform without support.

### q) Pensions

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

- All employees are automatically enrolled into a defined contribution scheme whereby the association contributes 6% of the employee's salary and the employee contributes a minimum of 3%. Employees can opt out of this scheme if they wish. These funds are the property of the individual employees.
- All employees can choose to enrol into a further Group defined contribution scheme whereby the association contributes 11% of the employee's salary and the employee contributes a minimum of 6%. These funds are the property of the individual employees.

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

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

### r) Foreign currencies

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

### s) Provisions

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

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

### t) Significant judgement and estimates

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

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

The trustees consider there to be two key judgments made in the preparation of these financial statements. Firstly, the residual value of the long leasehold interest in Rochester Row which the trustees considered to be materially comparable to its cost. Secondly, the existence and valuation of deferred income for contracts. Income is recognised on contracts in line with the delivery of key milestones, costs incurred to date, or if these cannot be measured reliably, evenly over the life of the contract. These methods involve management making assumptions and judgements in relation to future delivery of these contracts, and as a result the value of deferred income is dependent on such judgements.

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 2 Income

### a) Income from raising funds

#### Voluntary income

The voluntary income received consists of membership subscriptions and grants and donations.

2023/24			2024/25	
Association	Consolidation		Association	Consolidation
£000	£000		£000	£000
162	162	Subscriptions	137	137
<b>162</b>	<b>162</b>		<b>137</b>	<b>137</b>

#### Activities for generating funds

For details of the trading turnover of HFMA Ltd, please see note 16a and HFMA Commercial Services Limited note 16b.

#### Investment income and interest received

2023/24			2024/25	
Association	Consolidation		Association	Consolidation
£000	£000		£000	£000
27	122	Investment Income	5	105
159	-	Rental income	159	-
<b>186</b>	<b>122</b>		<b>164</b>	<b>105</b>

### b) Income from charitable activities

#### Conferences and seminars

2023/24			2024/25	
Association	Association		Association	Consolidation
£000	£000		£000	£000
1,982	1,976	National and regional events	1,648	1,646
366	366	Branch events	353	353
<b>2,348</b>	<b>2,342</b>		<b>2,001</b>	<b>1,999</b>

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 3 Expenditure

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

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

Cost analysis 2024/25	Direct costs	Support costs	Total	Total
	2024/25	2024/25	2024/25	2023/24
	£000	£000	£000	£000
Generating voluntary income	27	204	231	220
Conferences and seminars	1,353	1,127	2,480	2,714
E-learning	25	508	533	586
Member services including publications and magazine	47	717	764	733
Qualification	97	409	506	477
<b>Total Association</b>	<b>1,549</b>	<b>2,965</b>	<b>4,514</b>	<b>4,730</b>
<b>HFMA Ltd</b>	<b>1,491</b>	<b>2,375</b>	<b>3,866</b>	<b>4,078</b>
<b>Consolidated</b>	<b>3,040</b>	<b>5,340</b>	<b>8,380</b>	<b>8,808</b>

### a) Costs of generating funds

These consist of generating voluntary income and HFMA Ltd noted above.

### b) Costs of charitable activities

These consist of conferences and seminars, publications and training packages, e-learning, membership services including Healthcare Finance magazine, the qualifications and bursary noted above. These are split out on the face of the Statement of Financial Activities.

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

2023/24			2024/25	
Association	Consolidation		Association	Consolidation
£000	£000		£000	£000
2,238	2,176	Centre events	1,993	1,947
538	538	Branch events	533	533
<b>2,776</b>	<b>2,714</b>		<b>2,526</b>	<b>2,480</b>

## 4 Audit fees

The total external audit fees were:

2023/24			2024/25	
Association	Consolidation		Association	Consolidation
£000	£000		£000	£000
24	24	Charity	25	25
-	5	HFMA Ltd	-	5
<b>24</b>	<b>29</b>		<b>25</b>	<b>30</b>
-	2	Other services supplied by affiliates of RSM UK Audit LLP	-	2

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 5 Staff costs and trustees' remuneration

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

### a) Staff costs

2023/24		2024/25
£000		£000
4,107	Staff salaries	3,921
403	Employers NI costs	395
336	Pension costs	351
231	Sundry (including apprentice scheme costs and staff training and - for 2023/24 only - childcare vouchers)	168
<b>5,077</b>		<b>4,835</b>

Staff costs are allocated according to the functions of each staff member: £2,342,000 in 2024/25 (2023/24 £2,905,000) is included in direct costs, £2,493,000 in 2024/25 (2023/24 £2,172,000) in support costs and together they form part of trading costs, fundraising costs, and charitable expenditure, as appropriate (see note 3).

### b) Average number of staff during the year

The average employee headcount throughout the year:

2023/24		2024/25
58	Operations/technical	52
7	Qualification	7
7	Business development	7
16	Administration	16
<b>88</b>		<b>82</b>

### c) Emoluments

The number of employees whose emoluments (including remuneration and benefits in kind but excluding pension contributions) that amounted to over £60,000 was:

2023/24		2024/25
9	Band £60,000 - £70,000	6
5	Band £70,001 - £80,000	3
1	Band £80,001 - £90,000	2
-	Band £90,001 - £100,000	1
1	Band £100,001 - £110,000	1
1	Band £120,001 - £130,000	1
1	Band £130,001 - £140,000	1
1	Band £210,001 - £220,000	1

### d) Key management

The key management of the HFMA during the year were the chief executive, deputy chief executive and director of finance, and the director of policy and communications whose combined working weeks totalled to the equivalent of 2.9 full-time equivalent (FTE) employees. Their employee benefits including remuneration, benefits in kind, employers pension costs and employers National Insurance total £592,000 for 2024/25 (2023/24 chief executive, deputy chief executive and director of finance, director of policy and communications, 2.9 FTE and total cost £571,000).

### e) Pensions

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

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 5 Staff costs and trustees' remuneration (continued)

### f) Trustees

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

2023/24 £000	Type of expense	2024/25 £000
-	Subsistence	-
-	Travel	1
1	Accommodation	1
-	Training	-
<b>1</b>		<b>2</b>

## 6 Property and operating lease commitments

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

2023/24			2024/25	
Association £000	Consolidation £000		Association £000	Consolidation £000
80	80	One year or less	36	36
31	31	Two to five years	22	22
-	-	Over 5 years	-	-

Property and operating lease costs shown within the statements of financial activities within support costs were £90,000 in 2024/25 (2023/24 £90,000) for association and £90,000 in 2024/25 (2023/24 £90,000) for the consolidated group.

## 7a) Tangible fixed assets

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

	Freehold £000	Long leasehold £000	Leasehold improvements £000	Equipment £000	Total £000
Cost as at 1 July 2024	1,174	2,030	1,345	388	4,937
Additions	2	-	-	50	52
Cost of assets written off	-	-	-	-	-
<b>Cost as at 30 June 2025</b>	<b>1,176</b>	<b>2,030</b>	<b>1,345</b>	<b>438</b>	<b>4,989</b>
Cumulative depreciation as at 1 July 2024	56	29	271	154	510
Depreciation charge for the year	35	-	27	36	98
Depreciation on assets written off	-	-	-	-	-
<b>Cumulative depreciation as at 30 June 2025</b>	<b>91</b>	<b>29</b>	<b>298</b>	<b>190</b>	<b>608</b>
Net book value as at 1 July 2024	1,118	2,001	1,074	234	4,427
<b>Net book value as at 30 June 2025</b>	<b>1,085</b>	<b>2,001</b>	<b>1,047</b>	<b>248</b>	<b>4,381</b>

A charge is held over the property in London, 110 Rochester Row.

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 7a) Tangible fixed assets (continued)

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

	Freehold	Long leasehold	Leasehold improvements	Equipment	Total
	£000	£000	£000	£000	£000
Cost as at 1 July 2024	1,174	2,030	1,345	84	4,633
Additions	2	-	-	8	10
Cost of assets written off	-	-	-	-	-
<b>Cost as at 30 June 2025</b>	<b>1,176</b>	<b>2,030</b>	<b>1,345</b>	<b>92</b>	<b>4,643</b>
Cumulative depreciation as at 1 July 2024	56	29	270	57	412
Depreciation charge for the year	35	-	27	8	70
Depreciation on assets written off	-	-	-	-	-
<b>Cumulative depreciation as at 30 June 2025</b>	<b>91</b>	<b>29</b>	<b>297</b>	<b>65</b>	<b>482</b>
Net book value as at 1 July 2024	1,118	2,001	1,075	27	4,221
<b>Net book value as at 30 June 2025</b>	<b>1,085</b>	<b>2,001</b>	<b>1,048</b>	<b>27</b>	<b>4,161</b>

## 7b) Intangible fixed assets

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

	Software	Total
	£000	£000
Cost as at 1 July 2024	746	746
Additions	65	65
Cost of assets written off	-	-
<b>Cost as at 30 June 2025</b>	<b>811</b>	<b>811</b>
Cumulative amortisation as at 1 July 2024	146	146
Amortisation charge for the year	132	132
Amortisation of assets written off	-	-
<b>Cumulative amortisation as at 30 June 2025</b>	<b>278</b>	<b>278</b>
Net book value as at 1 July 2024	600	600
<b>Net book value as at 30 June 2025</b>	<b>533</b>	<b>533</b>

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 7b) Intangible fixed assets (continued)

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

	Software	Total
	£000	£000
Cost as at 1 July 2024	726	726
Additions	65	65
<b>Cost as at 30 June 2025</b>	<b>791</b>	<b>791</b>
Cumulative amortisation as at 1 July 2024	126	126
Amortisation charge for the year	132	132
<b>Cumulative amortisation as at 30 June 2025</b>	<b>258</b>	<b>258</b>
Net book value as at 1 July 2024	600	600
<b>Net book value as at 30 June 2025</b>	<b>533</b>	<b>533</b>

## 7c) Investments

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

	Market value as at 30 June 2024	Disposal	Market value as at 30 June 2025	Gain in year
	£000	£000	£000	£000
CCLA Funds	1,228	-	1,180	(48)
Barclays Funds	893	-	897	4
<b>Total</b>	<b>2,121</b>	<b>-</b>	<b>2,077</b>	<b>(44)</b>

The loss in the year was all unrealised.

The unrealised loss of £12,000 shown in the SOFA includes £32,000 relating to gains on monies held in a Canada Life Sterling Fund.

## 8 Debtors

as at 30 June 2024			as at 30 June 2025		
Association	Consolidation		Association	Consolidation	
£000	£000		£000	£000	
1,187	3,357	General debtors	704	2,476	
29	-	Amounts due from group companies	22	-	
263	462	Prepayments & accrued income	235	492	
<b>1,479</b>	<b>3,819</b>		<b>961</b>	<b>2,968</b>	

## 9 Cash at bank and in hand

The bank and cash accounts held are as follows:

as at 30 June 2024			as at 30 June 2025		
Association	Consolidation		Association	Consolidation	
£000	£000		£000	£000	
194	449	Current accounts	271	482	
2,152	2,152	Deposit accounts	2,206	2,206	
<b>2,346</b>	<b>2,601</b>	Total cash balance	<b>2,477</b>	<b>2,688</b>	

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 10 Creditors: amounts falling due within one year

as at 30 June 2024			as at 30 June 2025		
Association	Consolidation		Association	Consolidation	
£000	£000		£000	£000	
514	735	Trade creditors	271	503	
2,924	-	Amounts due to group companies	3,063	-	
99	99	Social security creditors	97	97	
54	54	Pension creditors	3	3	
-	106	Other creditors	15	121	
656	1,105	Accruals	370	896	
1,478	4,989	Deferred income	1,358	4,696	
<b>5,725</b>	<b>7,088</b>		<b>5,177</b>	<b>6,316</b>	

Deferred income as at 30 June 2025 consists of the income for events and service delivery that takes place in the next financial year.

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

2023/24			2024/25		
Association	Consolidation		Association	Consolidation	
£000	£000		£000	£000	
1,641	5,549	Deferred Income falling due within one year as at 1 July	1,478	4,989	
(1,641)	(5,549)	Released during year	(1,478)	(4,989)	
1,478	4,989	Additional Deferred Income for year	1,358	4,696	
<b>1,478</b>	<b>4,989</b>	Deferred Income falling due within one year carried forward as at 30 June	<b>1,358</b>	<b>4,696</b>	

## 11 Creditors: amounts falling due after more than one year

as at 30 June 2024			as at 30 June 2025		
Association	Consolidation		Association	Consolidation	
£000	£000		£000	£000	
11	1,449	Deferred Income	-	1,299	
<b>11</b>	<b>1,449</b>		<b>-</b>	<b>1,299</b>	

Deferred Income as at 30 June 2025 consists of the income for events and service delivery that takes place in more than one year.

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

2023/24			2024/25		
Association	Consolidation		Association	Consolidation	
£000	£000		£000	£000	
8	1,174	Deferred Income falling due after more than one year as at 1 July	11	1,449	
(8)	(556)	Released during year	(11)	(755)	
11	831	Additional Deferred Income for year	--	605	
<b>11</b>	<b>1,449</b>	Deferred Income falling due after more than one year carried forward as at 30 June	<b>-</b>	<b>1,299</b>	

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 12 Financial instruments

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

### Financial assets

as at 30 June 2024			as at 30 June 2025		
Association	Consolidation		Association	Consolidation	
£000	£000		£000	£000	
1,187	3,357	General debtors	704	2,476	
29	-	Amounts due from group companies	22	-	
167	283	Accrued income	167	356	

## 13 Analysis of net assets of branches

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

Net assets at 30th June 2024 £000	Branch	Net assets at 30th June 2025 £000
28	East Midlands	36
25	Eastern	26
27	Kent, Sussex and Surrey	17
46	London	61
31	North-West	16
100	Northern	106
46	Northern Ireland	46
22	Scotland	25
82	South-West	72
7	South Central	12
61	Wales	62
146	West Midlands	117
37	Yorkshire and Humber	48
<b>658</b>		<b>643</b>

The overall loss for the branches for the year was £15,000 (2024 a surplus of £9,000).

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 14 Reconciliation of net expenditure to net cash flow from operating activities

Year to 30th June 2024 £000		Year to 30th June 2025 £000
371	Net income for the year:	1
119	Depreciation and amortisation	229
-	Realised loss/(gain) on sale of investment	(14)
(177)	Unrealised gain on investment	44
(6)	Unrealised loss/(gain) on money market	(33)
-	Loss on assets written off	-
(122)	Interest and dividends receivable	(104)
<hr/> 186	EBITDA	<hr/> 123
482	(Increase)/decrease in debtors	851
(586)	Increase/(decrease) in creditors	(921)
<hr/> <b>82</b>	<b>Net cash inflow/(outflow) from operating activities</b>	<hr/> <b>53</b>

## 15 Related party transactions

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

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

The HFMA charges a percentage of its staff and overhead costs to HFMA Ltd based on the proportion of staff and management activity committed to the Company. The amount recharged in the year was £1,201,000 (2023/24 £1,235,000).

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

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

## 16 Subsidiaries

### a) HFMA Ltd

The principal activities of the company are providing marketing services, arranging sponsorship and advertising, running a conference centre and running general and tailored events for the healthcare community. The Financial Statements of HFMA Ltd for the year to 30 June 2025, as consolidated into the accounts for the HFMA, were:

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 16 Subsidiaries (continued)

### Profit and loss account

Year to 30 June 2024		Year to 30 June 2025
£000		£000
5,528	Turnover	5,330
(1,294)	Cost of sales	(1,588)
<b>4,234</b>	<b>Gross profit</b>	<b>3,742</b>
95	Interest received	100
<b>4,329</b>		<b>3,842</b>
(2,189)	Administration	(1,740)
(1,235)	Association recharge	(1,201)
<b>905</b>	<b>Net result</b>	<b>901</b>

### Balance sheet

As at 30 June 2024		As at 30 June 2025
£000		£000
206	Fixed assets	220
5,555	Current assets	5,305
(4,323)	Creditors: Amounts falling due within one year	(4,226)
1,438	Total assets less current liabilities	1,299
(1,438)	Creditors: Amounts falling due after more than one year	(1,299)
<b>-</b>	<b>Net assets</b>	<b>-</b>

The turnover in HFMA Limited totalled £5,330,000 (2024 £5,528,000) for the year of which **£56,000** (2024 £62,000) related to activities performed for the HFMA which is removed on consolidation. Therefore, in the consolidated accounts turnover relating to HFMA Limited is shown as £5,284,000 (2024 £5,466,000).

### b) HFMA Commercial Services Ltd (HCS Ltd) Company number 6384842

The principal activity of the company was providing consultancy services to the healthcare industry. There was no trading in this subsidiary in the year to 30 June 2025 or 30 June 2024. The Financial Statements of HCS Ltd for the year to 30 June 2025, as consolidated into the accounts of the HFMA had **£nil** net assets (30 June 2024 £nil).

## 17 Statement of funds

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

Unrestricted funds	at 1 July 2024	Surplus/ (Deficit)	Transfers	Unrecognised gains/(losses)	at 30 June 2025
	£000				£000
<b>General funds</b>					
Trading funds	-	901	(901)	-	-
General fund	4,333	(875)	902	(10)	4,350
<b>Designated funds</b>					
Branch fund	658	(13)	-	(2)	643
Bursary fund	40	-	(1)	-	39
<b>Consolidated</b>	<b>5,031</b>	<b>13</b>	<b>-</b>	<b>(12)</b>	<b>5,032</b>

The transfers between funds relate to the total Gift Aid to the association centre from the trading subsidiaries.

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## 18 Analysis of net assets between funds

### HFMA Group

#### Analysis of net assets between funds as at 30 June 2025

	General fund	Branch fund	Bursary fund	Total funds
	£000	£000	£000	£000
Fixed assets	6,897	94	-	6,991
Cash at bank and in hand	2,636	13	39	2,688
Other current assets	1,579	1,389	-	2,968
Current liabilities	(5,463)	(853)	-	(6,316)
Liabilities due after more than 1 year	(1,299)	-	-	(1,299)
	<b>4,350</b>	<b>643</b>	<b>39</b>	<b>5,032</b>

#### Analysis of net assets between funds as at 30 June 2024

	General fund	Branch fund	Bursary fund	Total funds
	£000	£000	£000	£000
Fixed and intangible assets	7,052	96	-	7,148
Cash at bank and in hand	2,548	13	40	2,601
Other current assets	2,291	1,528	-	3,819
Current liabilities	(6,109)	(979)	-	(7,088)
Liabilities due after more than 1 year	(1,449)	-	-	(1,449)
	<b>4,333</b>	<b>658</b>	<b>40</b>	<b>5,031</b>

### HFMA Company

#### Analysis of net assets between funds as at 30 June 2025

	General fund	Branch fund	Bursary fund	Total funds
	£000	£000	£000	£000
Fixed and intangible assets	6,677	94	-	6,771
Cash at bank and in hand	2,425	13	39	2,477
Other current assets	(428)	1,389	-	961
Current liabilities	(4,324)	(853)	-	(5,177)
Liabilities due after more than 1 year	-	-	-	-
	<b>4,350</b>	<b>643</b>	<b>39</b>	<b>5,032</b>

# Notes forming part of the financial statements for the year ended 30 June 2025 (continued)

## Analysis of net assets between funds as at 30 June 2024

	General fund	Branch fund	Bursary fund	Total funds
	£000	£000	£000	£000
Fixed and intangible assets	6,846	96	-	6,942
Cash at bank and in hand	2,293	13	40	2,346
Other current assets	(49)	1,528	-	1,479
Current liabilities	(4,746)	(979)	-	(5,725)
Liabilities due after more than 1 year	(11)	-	-	(11)
	<b>4,333</b>	<b>658</b>	<b>40</b>	<b>5,031</b>

## 19 Capital commitments

At 30 June 2025, there were £nil (30 June 2024 £17,000) capital commitments for activities contracted for but not provided in the financial statements.

# Independent auditor's report to the trustees and members of the Healthcare Financial Management Association

## Opinion

We have audited the financial statements of Healthcare Financial Management Association (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 June 2025 which comprise Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Statements of Financial Position, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2025; and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

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

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

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

# Independent auditor's report to the trustees and members of the Healthcare Financial Management Association

- the information given in the directors' report and the strategic report, prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report, included within the trustees' annual report.

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

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

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 8 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

# Independent auditor's report to the trustees and members of the Healthcare Financial Management Association

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from external advisors.

The group audit engagement team identified the risk of management override of controls and the existence and valuation of certain revenue streams as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and performing substantive test of details over a sample of income transactions.

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

## Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Kerry Gallagher*

KERRY GALLAGHER (Senior Statutory Auditor)

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

Chartered Accountants

Second Floor

1 The Square

Temple Quay

Bristol

BS1 6DG

Date 06/11/25

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

**HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION**

England & Wales - Charity number 1114463

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# Accounts

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Company Number 5787972

# HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION

Trustees' Report and Financial Statements

For the year ending 30 June 2024

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## **HFMA**

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# SENIOR EXECUTIVES AND BOARD OF TRUSTEES

## Board of Trustees and Directors

### PRESIDENT

2023/24: Claire Wilson  
2022/23: Lee Bond  
2021/22: Owen Harkin

### VICE PRESIDENTS

2023/24: Lee Outhwaite  
2023/24: Simon Crowther  
2022/23: Claire Wilson  
2022/23: Lee Outhwaite  
2021/22: Lee Bond  
2021/22: Claire Wilson

### IMMEDIATE PAST PRESIDENT

2023/24: Lee Bond  
2022/23: Owen Harkin  
2021/22: Caroline Clarke

### CHAIR OF AUDIT AND FINANCE COMMITTEE

Simon Crowther (to 7 December 2023)  
Dawn Scrafield (from 7 December 2023)

### ALL TRUSTEES AND DIRECTORS

Sanjay Agrawal  
Lee Bond  
Nicci Briggs  
David Chandler  
Simon Crowther  
Caroline Clarke (resigned 7 December 2023)  
Kavita Gnanaolivu  
Bill Gregory  
Owen Harkin  
Kim Li  
Richard McCallum  
Lee Outhwaite  
Catherine Phillips (appointed 7 December 2023)  
Peter Ridley  
Dawn Scrafield  
Wendy Thompson  
Claire Wilson

## Registered Charity Name and Registered Office

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

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

## HFMA Senior Executive Team

### CHIEF EXECUTIVE / SECRETARY

Mark Knight

### DEPUTY CHIEF EXECUTIVE & DIRECTOR OF FINANCE

Ian Turner

### DIRECTOR OF POLICY AND COMMUNICATIONS

Emma Knowles

### ASSOCIATE DIRECTOR OF EDUCATION, LEARNING AND DEVELOPMENT

Emily Osgood

### ASSOCIATE DIRECTOR OF OPERATIONS ONE NHS FINANCE

Camilla Godfrey

## Advisors

### BANKER

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

### SOLICITOR

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

### AUDITOR

RSM UK Audit LLP Chartered Accountants  
Second Floor, 1 The Square, Temple Quay, Bristol, BS1 6DG

# REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE FOR THE YEAR ENDED 30 JUNE 2024

## President's and Chief Executive's Report

The year to 30 June 2024 was the second year of the HFMA's three-year strategy *Picking up the pace*. The business plan for the year, aimed at supporting the delivery of the strategy, was clearly aimed at increasing our support for members, including having a greater focus on those working in bands 2 to 6. And at the same time, ensuring that the HFMA is financially sustainable by making a surplus so that reserves are brought back to the pre-pandemic level to protect the association against any future financial shocks and to provide appropriate resources to support our members and the wider NHS.

We are delighted to be able to say that all the business plan objectives were achieved. The volume of activities supporting members has increased, with the activities to support members working in bands 2 to 6 in particular, growing year on year.

Financially, the statutory accounts show a surplus of £371,000 for the year to 30 June 2024. This financial result brings the financial reserves of the HFMA up to a level of £5,031,000 ensuring that the association is in a good place to be able to weather any financial storms in the future.

The strategy and business plan set the objective to invest in and improve the digital infrastructure of the association. The new website and content management system project, which started in 2022/23, was completed in December 2023. This was on time and on budget with a planned investment of £300,000.

The other big digital project to develop a new and streamlined learning management system was started and completed in the year with spend of £345,000, which was below the budgeted cost of £400,000.

This investment in information technology and digital infrastructure ensures a better and more personalised service to our members, which is what our membership asked for.

When we develop our business plan, we set key performance indicators in addition to financial targets, which we measure ourselves against each year. These show that, as at 30 June 2024, we had reached a record 25,069 members (full and associate) and supported them and others with, for example: 227,044 hours of continuing professional development and the production of 46 new policy briefings and publications. We also had an average of 101 students studying for our qualifications over the year.

We ask attendees and users of all our activities to give feedback. Over the last year we achieved an amazing 96% 'good' or 'excellent' on events and 94% from everyone undertaking our bitesize e-learning. These are statistics we are very proud of.

During the year to 30 June 2024, we also continued to host, work alongside and support One NHS Finance with

the delivery of its programme of work in England. This encompasses Future-Focused Finance, the National Finance Academy and the Finance Innovation Forum. We are proud to be a part of this exciting set of programmes.

With support from members, the association was also able to significantly increase the public benefit of its activities. This was evidenced by the levels of social media traffic and the downloads of free material from the website.

Our theme for the year has been *Working as one*. This reflected the desire to work collaboratively as a health and social care system, working across all professions, such as clinical, financial and managerial, and working as a strong and supportive NHS finance family. The theme has struck a nerve in the NHS and has gone down extremely well with not only the finance function, but across all professions. To this end the HFMA also works ever more closely with other associations, supporting different professions in the NHS, which will be expanded on in the year ahead.

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

We will continue to work hard to support our members as the NHS works through its current challenges and the requirements of the new government.

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



Claire Wilson  
President

Mark Knight  
Chief Executive

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024

## Trustees' Report

The Trustees' report also contains the Directors' report as required by company law. The Trustees are also directors of Healthcare Financial Management Association for the purposes of company law.

### OBJECTS AND AIMS

#### THE OBJECTS AND AIMS OF HFMA

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

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

### STRATEGIC REPORT

#### ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

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

**To provide excellent members networks and services:** The number of individual members of HFMA at the end of the year totalled **25,069** (2022/23: 22,420).

We were very pleased that our investments over the years in IT and digital mechanisms, such as Microsoft Teams, our Learning Management System (enabling our e-learning bitesize and qualifications), webinars, social media and the website have allowed us to continue delivering member benefits and indeed a wider public benefit to all in and outside the NHS over the last year.

Our website had 403,551 (2022/23: 216,798) visits over the year, we had 4,998 (2022/23: 4,853) twitter followers and 10,348 (2022/23: 9,101) LinkedIn members.

Our organisation facing offerings continue to be very popular. Virtually every NHS organisation is now a Hub member.

We also ensure all our membership offerings are now focussed to support the new place-based structures in place for our members organisations.

**To become the voice of healthcare finance through the development of leading-edge policy and technical work:** There have, yet again, been considerable developments in policy and technical work during the year.

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

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

In England, we continued to work with key players in the healthcare sector such as the Department of Health and Social Care and NHS England and NHS Improvement. We are delighted to continue to be the prime partner for One NHS Finance ONF continuing to provide the administration and delivering a big part of the programme.

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

We continued developing our library of books, reports and briefings, producing 46 briefings and publications in the year.

**To create relevant and affordable development and qualification opportunities:** We continue to deliver the HFMA Diploma (DHBF) and Higher Diploma in Healthcare and Business Finance (HDHBF).

During the year to 30 June 2024, we had an average of 101 (2022/23: 87) students studying for our qualifications.

The Association continues to be the place most NHS finance staff go to satisfy their CPD requirements. Total CPD hours delivered in the year reached 227,044 (2022/23: 239,669). This is one of the key statistics that demonstrates the continuing interest our membership and the wider finance community in health has for HFMA's training; be it events, webinars, qualifications or e-learning bitesize. Just as importantly HFMA targets a 90% excellent/good score from user feedback. Over the year to 30 June 2024 the average over all events was 94% a statistic we are very proud of.

Over the year we ran a vast array of face-to-face and online events. The most popular events include our National Annual conference in December and our Pre-Accounts Planning event in February along with numerous technical events run through our 13 branches, regional skills development networks and academies.

Our e-learning "bitesize" modules have proven to be very sought after by the NHS finance function over the year last year. Part of the offering now includes some modules that have been uploaded onto the NHS ESR system and the HFMA learning management system allowing nearly all employees in the NHS to access them free of charge.

Once again, we are very proud to report that the target of achieving over 90% of users scoring each module excellent or good was achieved at 94%.

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024

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

During the year we worked closely with the NHS finance function and ONF. We continue to host ONF.

We also run a number of other programmes for the NHS across the UK the Regional Finance Academies, Skills Development Networks (SDN's) and Finance and Management Training Schemes (FMTS). The FMTS schemes now also incorporate apprenticeship schemes.

**Managing ourselves effectively as a business:** This is the fourth and final objective and covers the enabling functions of the business.

The financial element of this objective is covered separately below.

As noted above the focus during the current strategy is to further develop HFMA's digital capabilities. As well as ensuring the solid foundation of software and hardware infrastructure has been maintained during the year, there have also been some major capital investments. These include the new website and the new learning management system. These are discussed in a bit more detail below.

The business case for the new website and content management system approved spend of £300,000. The project was completed on time and within budget in December 2023.

The business case for the learning management system stated that the main objective was to bring all our e-learning bitesize and qualifications on to one system. Total spend of £400,000 was approved. The project completed just after the year end and came in within budget.

The Human Resources function has been very busy over the year. The hybrid working that was set up following the move into HFMA House continues to be effective and ensures that our teams can work efficiently and flexibly from any location. It is however expected that teams are in the office together at least one day a week.

Our staff continue to be our most valuable resource, and a full review continues to take place each year to ensure terms and conditions, remuneration and benefits for staff are appropriate and at least match the market.

## FINANCIAL REVIEW

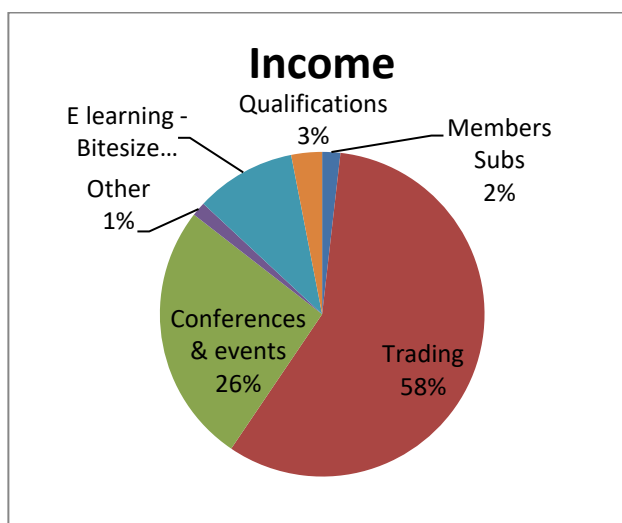
The result for the year is a surplus of **£371,000** (2022/23 a surplus of £416,000).

This means reserves are now at £5,031,000 a level which ensures HFMA is in a good place to cover any future financial shocks. A summary of the financial results for the last five years is shown below:

	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£
Turnover	6,668,000	5,453,000	7,170,000	8,686,000	8,997,000
Net result	(779,000)	348,000	290,000	416,000	371,000
Net assets	3,606,000	3,954,000	4,244,000	4,660,000	5,031,000

The increase in income between 2020/21 and 2022/23 reflects in the main the move back to more face-to-face events during these two years and more activity on education programmes commissioned by the NHS.

The activity levels in 2023/24 are not dissimilar to 2022/23 and reflects the fact that almost everything that HFMA does is now back to pre-pandemic levels other than the conference centre, 110 Rochester Row, which, during the year was impacted by strikes and building works which has held back its recovery.



Conferences and training events income in 2023/24 totalled **£2,342,000** (£2,353,000 in 2022/23). Which relates to face-to-face events year on year and more NHS commissioned activities. These are at roughly the same level year on year reflecting the fact that activities are back at pre-pandemic levels.

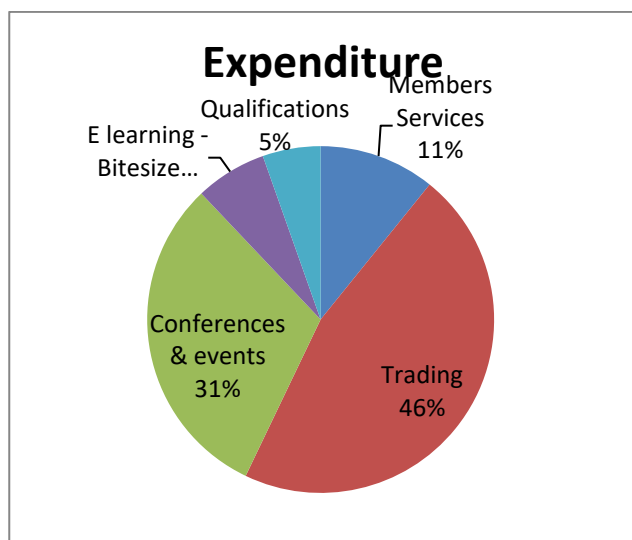
E-learning (Bitesize) income totalled **£900,000** in 2023/24, (£761,000 in 2022/23) which is a substantial increase year on year showing the high regard these products are held within the NHS and increasingly the private sector.

Qualifications income totalled **£277,000** in 2023/24 (£284,000 in 2022/23) which is roughly the same year on year.

The income from the trading subsidiary HFMA Ltd is above the previous year at **£5,189,000** for 2023/24 (£4,745,000 in 2022/23). This is as a result of sponsorship income being considerably higher than the previous year.

The breakdown of expenditure is shown below:

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024



By far the greatest activity in terms of income, other than the trading activities in the subsidiary companies noted above, is conferences and events. Expenditure totalled **£2,714,000** in 2023/24 (£2,702,000 in 2022/23). The fact that the costs are roughly the same year on year reflects the fact that the number of events run and the mix between face-to-face on on-line events is the same year on year suggesting that the mix has settled down to a new steady state post pandemic.

Members subscriptions totalled **£162,000** in 2023/24 (£163,000 in 2022/23). The costs of member services are above the previous year at **£953,000** in 2023/24 (£896,000 in 2022/23). This demonstrates the increasing investment in members services by the Charity.

It is congruent with the objects and aims of the charity and the Charity Commission's guidance on Public Benefit, that subscriptions paid by members cover only a small percentage of the costs of providing member services with the surpluses achieved in the trading operations of HFMA subsidising the balance of the costs. The trading surpluses are also used to subsidise conferences and events which also run at a planned loss as noted above.

The costs of e-learning, Bitesize, packages are up year-on-year at **£586,000** in 2023/24 (£505,000 in 2022/23). With income also being up the result is an increased contribution at **£314,000** in 2023/24 (£256,000 in 2022/23). This line of activity provides an important contribution to cover the costs of the association's activities.

It should be noted that the surplus in the trading subsidiary HFMA Ltd of **£905,000** in 2023/24 (£819,000 in 2022/23). The increase is primarily due to sponsorship income being higher year on year but also other trading activities holding up well.

This surplus is passed by gift aid to HFMA and was used by the charity to subsidise the cost of activities and services provided to the members of HFMA as noted above.

The financial statements have been prepared in

accordance with relevant law and current accounting conventions and in particular the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)).

## PUBLIC BENEFIT

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

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

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

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

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

The activities and achievements of the charity in the year to 30 June 2024 are detailed in the President and Chief Executive's report with commentary as to how the objectives set were met. These achievements demonstrate how successful HFMA has been in fulfilling its objectives and providing a Public Benefit.

## FUTURE PLANS

The year to 30 June 2024 is the middle year of the strategy for the three years to 30 June 2025.

The business plan for the final year of this strategy for the year to 30 June 2025 has been produced.

A new strategy will be developed during the year to 30 June 2025.

The plans for the year ahead for each main objective in the strategy and business plan for the year are detailed below:

- **To provide excellent member networks and services:** it is important that HFMA not only maintains the current quality of services but also develops them to support our members and the wider NHS at a time of ever-growing financial pressure. In terms of membership, our clear strategy will be to maintain our existing level of membership in the year ahead and

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024

grow it if we can particularly in the band 2-6 and apprenticeship category. We will also continue working closely with the other main supporters of finance professionals in the NHS particularly ONF. We will also develop partnerships with like minded organisations and particularly other Charities and Associations supporting the NHS back office functions.

- **To continue to be the influential voice of healthcare finance, facilitating change through leading edge policy and technical work:** HFMA provides material that is relevant and timely for members and those in healthcare and particularly the NHS who are interested in NHS Finance. It is planned to keep up with demand for specific publications and training packages during the following year. A clear focus will be to support the NHS and the wider community in their understanding of the impact the overall NHS move towards more place-based structures. We aim to ensure our outputs provide the best support to our members and the organisations they work for. We will continue to work closely with the NHS leadership teams in developing and influencing policy and we will be continuing to foster relationships with other organisations, such as the accounting bodies and medical.
- **To create relevant and accessible development and qualification opportunities;** the full conference and seminar programme, locally at branches and nationally, will be followed and the balance between delivery as face to face and virtually will be constantly monitored and advice taken from members. We will continue assisting the new Regional Academies incorporating local SDN and FMTS groups. Each branch will run a minimum of four events of which at least one will be free. We will also be looking to further develop our faculty programme. We will further develop our e-learning Bitesize products and programmes and maintain our existing qualifications. Our usual programme of updating existing material will also take place to ensure that the training we deliver is up to date and of the highest quality.

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

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

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

## RESERVES AND GOING CONCERN

HFMA's total reserves which have been built up slowly over many years were severely reduced in the year to 30 June 2020 by £779,000 as a direct result of lost revenue due to the impact of Covid-19. The results for the years to 30 June 2021, 2022, 2023 and 2024 have achieved that goal with reserves now standing at **£5,031,000** (2022/23 £4,660,000).

All reserves are held in funds whose use is at the discretion of the Trustees as long as they are used as laid out in the objects and aims of the charity. The reserves policy below is set by the Trustees.

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

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

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

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

The Trustees consider it is appropriate to treat the Charity as a going concern.

This is due to the Trustees and Senior Management team having a clear understanding of the risks facing the organisation and robust cash management plans.

The largest uncertainty facing the Charity is the ability to run events at the Conference Centre in London, 110 Rochester Row. However, stress testing the budget and resulting cash flow forecasts for this risk, alongside considering other downside risks, shows that HFMA has cash reserves available for the period to 30 June 2026.

It is also worth noting that net reserves at 30 June 2024 total **£5,031,000** (£4,660,000 at 30 June 2023) and fixed assets total **£7,148,000** (£6,578,000 at 30 June 2023). Therefore, there are no "free" reserves. However, the cash balance at 30 June 2024 totals £2,601,000 (£2,904,000 at 30 June 2023) and if needed HFMA has fixed assets investments which could be sold if further cash was required. The value of these investments at 30 June 2024 was **£2,121,000** (£1,944,000 at 30 June 2023).

The investment approach is discussed and agreed annually and confirmed at Board meetings. It was agreed that a considerable amount of funds should be held in easily

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024

accessible accounts (that attracted lower interest than could be achieved if the funds were tied up in fixed term accounts) to allow the Trustees to move quickly if there was an opportunity to invest in assets that supported HFMA's strategic objectives to support the members and maintain the long-term future of the Charity.

## TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees 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 trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period.

In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud

and other irregularities. In so far as the Trustees are aware:

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

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

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

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

## INVESTMENT POLICY

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

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

Any major capital investment over £75,000 requires Trustee approval and should be supported by a business case and with appropriate professional advice.

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

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

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024

## CONSTITUTION AND GOVERNANCE

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

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

During 2023/24, the Board of Trustees comprised the National President, two Vice-Presidents, Past Chair and Chair of the Audit and Finance Committee, who are nominated by the membership as a whole, and a representative from each of the three devolved nations who are elected by their branches and seven Trustees who are appointed by Board of Trustees. All the Trustees are directors of HFMA.

During the year the Board usually meets formally four times. When appropriate or necessary additional Board meetings are called. These meetings along with briefing papers for the Board ensured the Trustees were fully briefed on the risks and actions being taken and fully involved in decision making over this period.

Over the year, in addition to regular Board meetings, the Audit and Finance Committee and the Appointments and Remuneration Committee met four times. These two committees have delegated powers and responsibilities that are documented and approved by the Board.

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

The day to day running of HFMA is delegated by the Board to the CEO and Senior Management Team. Senior Management Team meetings take place monthly.

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

The 13 branches have their own volunteer branch executives usually comprising a Branch Chair, a Branch Treasurer and a Branch Secretary.

The year to 30 June 2024 was the second year of the 2023-25 strategy. The strategy has been communicated to every member of HFMA and further details can be found on HFMA's website [www.hfma.org.uk](http://www.hfma.org.uk). Each year staff are involved in delivering and updating progress against the strategy. As usual the annual business plan for the year

ahead was also agreed as were individual business plans for each branch.

There is a Scheme of Delegation which states the level of authority required for decision making and expenditure which is reviewed by the Trustees each year. Each activity undertaken by HFMA is monitored on a regular basis and each Manager has specific responsibility not only for the short-term management of the risk profile but also for the long-term prognosis of these individual income and cost lines. Physical risk is covered by specific systems for example in IT recovery and backup, emergency procedures and the provision of comprehensive insurance for assets and personnel.

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

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

## RISK MANAGEMENT

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

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

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

The largest risk facing HFMA at the time of writing is the financial pressures facing public services in the UK and particularly the NHS as HFMA receives considerable income from activities purchased by the public sector.

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

## SERVICES PROVIDED BY OTHER BODIES

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

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024

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

## BRANCHES

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

## AUDITOR

A resolution proposing that RSM UK Audit LLP be reappointed as statutory auditor of the Charity will be put to the Annual General Meeting on 5 December 2024.

The Trustees Report and the Strategic Report contained within it were approved by the Board on 4 November 2024 and signed on its behalf by;



Dawn Scrafield

Trustee and Chair of the Audit Committee.



# FINANCIALS – Statement of financial position

## Consolidated and charity statements of financial position as at 30 June 2024

30 June 2023			30 June 2024		
Association £'000	Consolidation £'000		Notes	Association £'000	Consolidation £'000
		<b>Fixed assets</b>			
4,197	4,400	Tangible assets	7a	4,221	4,427
234	234	Intangible assets	7b	600	600
1,944	1,944	Investments	7c	2,121	2,121
<b>6,375</b>	<b>6,578</b>	<b>Total fixed assets</b>		<b>6,942</b>	<b>7,148</b>
		<b>Current assets</b>			
1,914	4,301	Debtors	8	1,479	3,819
1,467	2,904	Cash at bank and in hand	9	2,346	2,601
<b>3,381</b>	<b>7,205</b>	<b>Total current assets</b>		<b>3,825</b>	<b>6,420</b>
(5,088)	(7,949)	Creditors: Amounts falling due within one year	10	(5,725)	(7,088)
<b>(1,707)</b>	<b>(744)</b>	<b>Net current liabilities</b>		<b>(1,900)</b>	<b>(668)</b>
		<b>Total assets less current liabilities</b>			
(8)	(1,174)	Creditors: Amounts falling due after more than one year	11	(11)	(1,449)
<b>4,660</b>	<b>4,660</b>	<b>Net assets</b>		<b>5,031</b>	<b>5,031</b>
		<b>Unrestricted funds</b>			
3,972	3,972	General fund		4,333	4,333
		<b>Designated funds</b>			
649	649	Branch fund		658	658
39	39	Bursary fund		40	40
<b>4,660</b>	<b>4,660</b>	<b>Total unrestricted funds</b>	17	<b>5,031</b>	<b>5,031</b>

The notes on pages 14 to 29 form part of these accounts.

The accounts were approved by the Board of Trustees on 4 November 2024

Claire Wilson, President

# FINANCIALS – Statement of Cash Flows

## Consolidated Statement of Cash Flows for the year ended 30 June 2024

<b>2022-23</b>		Notes	<b>2023-24</b>
<u>£'000</u>			<u>£'000</u>
(694)	Net cash inflow/(outflow) from operating activities	14	82
	<b>Cash flows from investing activities</b>		
22	Interest received		71
57	Dividends received		57
(450)	Purchase of tangible fixed assets		(513)
<u>(371)</u>	<b>Net outflow from investing activities</b>		<u>(385)</u>
<u>(1,065)</u>	<b>Decrease in cash</b>		<u>(303)</u>

The notes on pages 14 to 29 form part of these accounts.

## Reconciliation of net cash flow to movement in cash

<b>2022-23</b>		<b>2023-24</b>
<u>£'000</u>		<u>£'000</u>
3,969	Cash at the beginning of the year	2,904
(1,065)	Decrease in cash in the year	(303)
<u>2,904</u>	<b>Cash at the end of the year</b>	<u>2,601</u>

## Analysis of changes in net debt

	As at 30 June 2023	Cash flows	As at 30 June 2024
	£'000	£'000	£'000
<b>Cash and cash equivalents</b>			
Cash	2,904	(303)	2,601
<b>Borrowings</b>			
Debt due within one year	-	-	-
<b>Total</b>	<u>2,904</u>	<u>(303)</u>	<u>2,601</u>

	As at 30 June 2022	Cash flows	As at 30 June 2023
	£'000	£'000	£'000
<b>Cash and cash equivalents</b>			
Cash	3,969	(1,065)	2,904
<b>Borrowings</b>			
Debt due within one year	-	-	-
<b>Total</b>	<u>3,969</u>	<u>(1,065)</u>	<u>2,904</u>

# Notes forming part of the Financial Statements

## For the year ended 30 June 2024

### 1. Accounting Policies

#### a) GENERAL INFORMATION

HFMA is a limited company and charity incorporated in England and Wales. It is also a Charity in Scotland. The address of HFMA's registered office is 110 Rochester Row, Victoria, London, SW1P 1JP. The principal places of business of HFMA are 110 Rochester Row, Victoria, London, SW1P 1JP and HFMA House, 4 Broad Plain, Bristol, BS2 0JB.

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

#### b) BASIS OF PREPARATION

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

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

#### c) GOING CONCERN

The accounts have been produced on the basis that the charity is a going concern. This is as a result of the trustees having a clear understanding of the risks facing the organisation and the existence of robust cash management plans. The Charity also has budgets and resulting cash flows which have been stress tested for the year ahead which support this view.

The largest uncertainty facing the Charity is the ability to run events at the Conference Centre in London, 110 Rochester Row. However, stress testing the budget and resulting cash flow forecasts for this risk, alongside considering other downside risks, shows that HFMA has cash reserves available at least through to 30 June 2026.

After taking into account the stress testing, there is still headroom over the period to 30 June 2026. If an unforeseen risk occurs or the risks considered in the stress testing are of a larger quantum than considered, HFMA has the ability to sell some or all of its fixed assets investments if further cash was required. The value of these investments at 30 June 2024 was £2,121k. It is worth noting that these investments if realised and turned into cash would turn the net current liabilities position of the Charity into a net current assets position at 30 June 2024. It is also worth noting that included in current liabilities in the balance sheet is £4,989k of deferred income, which if added back would also turn the net current liabilities position into a net current assets position.

#### d) REDUCED DISCLOSURES

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

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

#### e) FUNCTIONAL AND PRESENTATIONAL CURRENCY

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

#### f) FINANCIAL INSTRUMENTS

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

# Notes forming part of the Financial Statements

## For the year ended 30 June 2024

### 1. Accounting Policies (continued)

#### f) FINANCIAL INSTRUMENTS (continued)

##### **Financial assets**

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

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

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

##### **Financial liabilities**

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

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

#### g) GROUP FINANCIAL STATEMENTS

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

#### h) INCOME

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

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

#### i) VOLUNTEERS

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

#### j) EXPENDITURE

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

# Notes forming part of the Financial Statements

## For the year ended 30 June 2024

### 1. Accounting Policies (continued)

#### j) EXPENDITURE (continued)

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

#### k) LEASED BUILDINGS AND EQUIPMENT

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

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

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

#### l) TANGIBLE FIXED ASSETS

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

Depreciation on these assets is calculated as follows:

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

#### m) INTANGIBLE FIXED ASSETS

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

#### n) INVESTMENTS

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

#### o) STOCK

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

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2024

### 1. Accounting Policies (continued)

#### p) FUNDS STRUCTURE

All funds are unrestricted income funds. These are split into undesignated (the General and Branches funds) and designated funds (the Bursary and Deep Reserve funds). The General and Branches funds should be built up to at least six months' worth of total annual costs of HFMA to cover short-term falling off in demand for the services offered. The Bursary fund is to support those with low incomes accessing the services of HFMA or assisting members in activities that benefit healthcare in the UK that they would not be able to perform without support.

#### q) PENSIONS

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

- All employees are automatically enrolled into a defined contribution scheme whereby the Association contributes 6% of the employee's salary and the employee contributes a minimum of 3%. Employees can opt out of this scheme if they wish. These funds are the property of the individual employees.
- All employees can choose to enrol into a further Group defined contribution scheme whereby the Association contributes 11% of the employee's salary and the employee contributes a minimum of 6%. These funds are the property of the individual employees.

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

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

#### r) FOREIGN CURRENCIES

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

#### s) PROVISIONS

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

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

#### t) SIGNIFICANT JUDGEMENT AND ESTIMATES

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

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

The trustees consider there to be two key judgments made in the preparation of these financial statements. Firstly, the residual value of the long leasehold interest in Rochester Row which the trustees considered to be materially comparable to its cost. Secondly, the existence and valuation of deferred income for contracts. Revenue is recognised on contracts in line with the delivery of key milestones, costs incurred to date, or if these cannot be measured reliably, evenly over the life of the contract. These methods involve management making assumptions and judgements in relation to future delivery of these contracts, and as a result the value of deferred income is dependent on such judgements.

**Notes forming part of the Financial Statements (continued)**  
**For the year ended 30 June 2024**

**2. Income**

**a) INCOME FROM RAISING FUNDS**

**VOLUNTARY INCOME**

The voluntary income received consists of membership subscriptions and grants and donations.

<b>2022-23</b>			<b>2023-24</b>	
<b>Association</b>	<b>Consolidation</b>		<b>Association</b>	<b>Consolidation</b>
<b>£'000</b>	<b>£'000</b>		<b>£'000</b>	<b>£'000</b>
163	163	Subscriptions	162	162
<b>163</b>	<b>163</b>		<b>162</b>	<b>162</b>

**ACTIVITIES FOR GENERATING FUNDS**

For details of the trading turnover of HFMA Ltd, please see note 16a and HFMA Commercial Services Limited note 16b.

**INVESTMENT INCOME AND INTEREST RECEIVED**

<b>2022-23</b>			<b>2023-24</b>	
<b>Association</b>	<b>Consolidation</b>		<b>Association</b>	<b>Consolidation</b>
<b>£'000</b>	<b>£'000</b>		<b>£'000</b>	<b>£'000</b>
46	80	Investment Income	27	122
159	-	Rental income	159	-
<b>205</b>	<b>80</b>		<b>186</b>	<b>122</b>

**b) INCOME FROM CHARITABLE ACTIVITIES**

**CONFERENCES AND SEMINARS**

<b>2022-23</b>			<b>2023-24</b>	
<b>Association</b>	<b>Association</b>		<b>Association</b>	<b>Consolidation</b>
<b>£'000</b>	<b>£'000</b>		<b>£'000</b>	<b>£'000</b>
2,027	2,027	National and regional events	1,982	1,976
326	326	Branch events	366	366
<b>2,353</b>	<b>2,353</b>		<b>2,348</b>	<b>2,342</b>

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2024

### 3. Expenditure

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

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

COST ANALYSIS 2023-24	Direct Costs	Support Costs	TOTAL	TOTAL
	2023-24	2023-24	2023-24	2022-23
	£'000	£'000	£'000	£'000
<b>Generating Voluntary Income</b>	19	201	220	170
<b>Conferences and Seminars</b>	1,580	1,134	2,714	2,702
<b>E-learning</b>	70	516	586	505
<b>Member Services including publications and magazine</b>	37	696	733	726
<b>Qualification</b>	73	404	477	494
<b>Total Association</b>	<b>1,779</b>	<b>2,951</b>	<b>4,730</b>	<b>4,597</b>
<b>HFMA Ltd</b>	1,221	2,857	4,078	3,712
<b>Consolidated</b>	<b>3,000</b>	<b>5,808</b>	<b>8,808</b>	<b>8,309</b>

#### a) COSTS OF GENERATING FUNDS

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

#### b) COSTS OF CHARITABLE ACTIVITIES

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

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

2022-23			2023-24	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
459	459	Branch events	538	538
2,243	2,243	Centre events	2,238	2,176
<b>2,702</b>	<b>2,702</b>		<b>2,776</b>	<b>2,714</b>

### 4. Audit Fees

The total external audit fees were:

2022-23			2023-24	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
21	21	Charity	24	24
-	4	HFMA Ltd	-	5
<b>21</b>	<b>25</b>		<b>-</b>	<b>29</b>
-	3	Other services supplied by affiliates of RSM UK Audit LLP	-	2

# Notes forming part of the Financial Statements

## For the year ended 30 June 2024

### 5. Staff Costs and Trustees' Remuneration

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

#### a) STAFF COSTS

<b>2022-23</b>		<b>2023-24</b>
<b>£'000</b>		<b>£'000</b>
3,302	Staff salaries	4,107
345	Employers NI costs	403
401	Pension costs	336
203	Sundry (including Childcare Vouchers and Staff Training)	231
<b>4,251</b>		<b>5,077</b>

Staff costs are allocated according to the functions of each staff member: **£2,905,000** in 2023/24 (2022/23 £1,866,000) is included in direct costs, **£2,172,000** in 2023/24 (2022/23 £2,385,000) in support costs together they form part of trading costs, fundraising costs, and charitable expenditure, as appropriate (see note 3).

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

The average employee headcount throughout the year:

<b>2022-23</b>		<b>2023-24</b>
53	Operations/Technical	58
5	Qualification	7
6	Business Development	7
16	Administration	16
<b>80</b>		<b>88</b>

#### c) EMOLUMENTS

The number of employees whose emoluments (including remuneration and benefits in kind but excluding pension contributions) that amounted to over £60,000 was:

<b>2022-23</b>		<b>2023-24</b>
5	Band £60,000 - £70,000	9
2	Band £70,001 - £80,000	5
-	Band £80,001 - £90,000	1
1	Band £90,001 - £100,000	-
1	Band £100,001 - £110,000	1
1	Band £120,001 - £130,000	1
-	Band £130,001 - £140,000	1
1	Band £200,001 - £210,000	-
-	Band £210,001 - £220,000	1

#### d) KEY MANAGEMENT

The key management of HFMA during the year were the Chief Executive, Deputy Chief Executive & Director of Finance and the Director of Policy and Communications whose combined working weeks totalled to the equivalent of **2.9** full time equivalent (FTE) employees. Their employee benefits including remuneration, benefits in kind, employers pension costs and employers National Insurance total **£571,000** for 2023/24 (2022/23 Chief Executive, Deputy Chief Executive & Director of Finance, Director of Policy and Communications, 2.9 FTE and total cost £533,000).

#### e) PENSIONS

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

# Notes forming part of the Financial Statements

## For the year ended 30 June 2024

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

#### f) TRUSTEES

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

2022-23 £'000	Type of Expense	2023-24 £'000
-	Subsistence	-
18	Travel	-
-	Accommodation	1
1	Training	-
<b>19</b>		<b>1</b>

### 6. Property and Operating Lease Commitments

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

2022-23			2023-24	
Association £'000	Consolidation £'000		Association £'000	Consolidation £'000
63	63	One year or less	80	80
56	56	Two to five year	35	35
4	4	Over 5 years	3	3

Property and operating lease costs shown within the statements of financial activities within support costs were **£90,000** in 2023/24 (2022/23 £38,000) for Association and **£90,000** in 2023/24 (2022/23 £38,000) for the consolidated group.

### 7.a) Tangible Fixed Assets

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

	Freehold £'000	Long Leasehold £'000	Leasehold Improvements £'000	Equipment £'000	Total £'000
Cost as at 1 July 2023	1,101	2,030	1,345	352	4,828
Additions	73	-	-	36	109
Cost of assets written off	-	-	-	-	-
<b>Cost as at 30 June 2024</b>	<b>1,174</b>	<b>2,030</b>	<b>1,345</b>	<b>388</b>	<b>4,937</b>
Cumulative depreciation as at 1 July 2023	33	29	243	123	428
Depreciation charge for the year	23	-	28	31	82
Depreciation on assets written off	-	-	-	-	-
<b>Cumulative depreciation as at 30 June 2024</b>	<b>56</b>	<b>29</b>	<b>271</b>	<b>154</b>	<b>510</b>
Net book value as at 1 July 2023	1,068	2,001	1,102	229	4,400
<b>Net book value as at 30 June 2024</b>	<b>1,118</b>	<b>2,001</b>	<b>1,074</b>	<b>234</b>	<b>4,427</b>

A charge is held over the property in London, 110 Rochester Row.

**Notes forming part of the Financial Statements (continued)**  
**For the year ended 30 June 2024**

**7. a) Tangible Fixed Assets (continued)**

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

	Freehold	Long Leasehold	Leasehold Improvements	Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost as at 1 July 2023	1,101	2,030	1,344	76	4,551
Additions	73	-	-	9	82
Cost of assets written off	-	-	-	-	-
<b>Cost as at 30 June 2024</b>	<b>1,174</b>	<b>2,030</b>	<b>1,344</b>	<b>85</b>	<b>4,633</b>
Cumulative depreciation as at 1 July 2023	33	29	240	52	354
Depreciation charge for the year	23	-	28	7	58
Depreciation on assets written off	-	-	-	-	-
<b>Cumulative depreciation as at 30 June 2024</b>	<b>56</b>	<b>29</b>	<b>268</b>	<b>59</b>	<b>412</b>
Net book value as at 1 July 2023	1,068	2,001	1,104	24	4,197
<b>Net book value as at 30 June 2024</b>	<b>1,118</b>	<b>2,001</b>	<b>1,076</b>	<b>26</b>	<b>4,221</b>

**7.b) Intangible Fixed Assets**

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

	Software	Total
	£'000	£'000
Cost as at 1 July 2023	343	343
Additions	403	403
Cost of assets written off	-	-
<b>Cost as at 30 June 2024</b>	<b>746</b>	<b>746</b>
Cumulative amortisation as at 1 July 2023	109	109
Amortisation charge for the year	37	37
Amortisation of assets written off	-	-
<b>Cumulative amortisation as at 30 June 2024</b>	<b>146</b>	<b>146</b>
Net book value as at 1 July 2023	234	234
<b>Net book value as at 30 June 2024</b>	<b>600</b>	<b>600</b>

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2024

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

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

	Software £'000	Total £'000
Cost as at 1 July 2023	323	323
Additions	403	403
<b>Cost as at 30 June 2024</b>	<b>726</b>	<b>726</b>
Cumulative amortisation as at 1 July 2023	89	89
Amortisation charge for the year	37	37
<b>Cumulative amortisation as at 30 June 2024</b>	<b>126</b>	<b>126</b>
Net book value as at 1 July 2023	234	234
<b>Net book value as at 30 June 2024</b>	<b>600</b>	<b>600</b>

### 7. c) Investments

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

	Market Value as at 30 June 2023 £'000	Disposal £'000	Market value as at 30 June 2024 £'000	Gain in year £'000
CCLA Funds	1,120	-	1,228	108
Barclays Funds	824	-	893	69
<b>Total</b>	<b>1,944</b>	<b>-</b>	<b>2,121</b>	<b>177</b>

The gain in the year was all unrealised.

The unrealised gain of £182,000 shown in the SOFA includes £5,000 relating to gains on monies held in a Canada Life Sterling Fund.

### 8. Debtors

as at 30 June 2023			as at 30 June 2024		
Association £'000	Consolidation £'000		Association £'000	Consolidation £'000	
1,616	3,906	General debtors	1,187	3,357	
61	-	Amounts due from group companies	29	-	
237	395	Prepayments & accrued income	263	462	
<b>1,914</b>	<b>4,301</b>		<b>1,479</b>	<b>3,819</b>	

### 9. Cash at bank and in hand

The bank and cash accounts held are as follows:

as at 30 June 2023			as at 30 June 2024		
Association £'000	Consolidation £'000		Association £'000	Consolidation £'000	
147	1,584	Current accounts	194	449	
1,320	1,320	Deposit accounts	2,152	2,152	
<b>1,467</b>	<b>2,904</b>	Total cash balance	<b>2,346</b>	<b>2,601</b>	

## Notes forming part of the Financial Statements For the year ended 30 June 2024

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

as at 30 June 2023			as at 30 June 2024		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
622	1,013	Trade creditors	514	735	
1,922	-	Amounts due to group companies	2,924	-	
95	96	Social security creditors	99	99	
40	40	Pension creditors	54	54	
14	122	Other creditors	-	106	
754	1,129	Accruals	656	1,105	
1,641	5,549	Deferred income	1,478	4,989	
<b>5,088</b>	<b>7,949</b>		<b>5,725</b>	<b>7,088</b>	

Deferred income as at 30 June 2024 consists of the income for events and service delivery that takes place in the next financial year.

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

2022-23			2023-24		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
1,302	4,891	Deferred Income falling due within one year as at 1 July	1,641	5,549	
(1,302)	(4,891)	Released during year	(1,641)	(5,549)	
1,641	5,549	Additional Deferred Income for year	1,478	4,989	
<b>1,641</b>	<b>5,549</b>	Deferred Income falling due within one year carried forward as at 30 June	<b>1,478</b>	<b>4,989</b>	

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

as at 30 June 2023			as at 30 June 2024		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
8	1,174	Deferred Income	11	1,449	
<b>8</b>	<b>1,174</b>		<b>11</b>	<b>1,449</b>	

Deferred Income as at 30 June 2024 consists of the income for events and service delivery that takes place in more than one year.

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

2022-23			2023-24		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
12	1,394	Deferred Income falling due after more than one year as at 1 July	8	1,174	
(12)	(714)	Released during year	(8)	(556)	
8	494	Additional Deferred Income for year	11	831	
<b>8</b>	<b>1,174</b>	Deferred Income falling due after more than one year carried forward as at 30 June	<b>11</b>	<b>1,449</b>	

# Notes forming part of the Financial Statements For the year ended 30 June 2024

## 12. Financial Instruments

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

### Financial assets

as at 30 June 2023			as at 30 June 2024	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
1,616	3,906	General debtors	1,187	3,357
61	-	Amounts due from group companies	29	-
163	278	Accrued income	167	283

## 13. Analysis of Net Assets of Branches

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

Net assets at 30th June 2023 £'000	Branch	Net assets at 30th June 2024 £'000
30	East Midlands	28
25	Eastern	25
27	Kent, Sussex and Surrey	27
31	London	46
33	North-West	31
87	Northern	100
46	Northern Ireland	46
22	Scotland	22
97	South-West	82
13	South Central	7
65	Wales	61
147	West Midlands	146
26	Yorkshire and Humber	37
<b>649</b>		<b>658</b>

The overall surplus for the branches for the year was **£9,000** (2023 a surplus of £23,000).

## Notes forming part of the Financial Statements For the year ended 30 June 2024

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

Year to 30th June 2023 £'000		Year to 30th June 2024 £'000
416	Net income for the year:	371
105	Depreciation and amortisation	119
-	Realised loss/(gain) on sale of investment	-
(38)	Unrealised gain on investment	(182)
66	Loss on assets written off	-
(79)	Interest and dividends receivable	(122)
470	EBITDA	186
2	Decrease in stocks held	-
(2,349)	(Increase)/decrease in debtors	482
1,183	Increase/(decrease) in creditors	(586)
<b>(694)</b>	<b>Net cash inflow/(outflow) from operating activities</b>	<b>82</b>

### 15. Related Party Transactions

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

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

HFMA charges a percentage of its staff and overhead costs to HFMA Ltd based on the proportion of staff and management activity committed to the Company. The amount recharged in the year was **£1,235,000** (2022/23 £1,139,000).

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

HFMA charges a percentage of its staff and overhead costs to HCS Ltd based on the proportion of staff and management activity committed to the Company. The amount recharged in the year was **£nil** (2022/23 £nil).

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

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

### 16. Subsidiaries

#### a) HFMA LTD

The principal activities of the company are providing marketing services, arranging sponsorship and advertising, running a conference centre and running general and tailored events for the healthcare community. The Financial Statements of HFMA Ltd for the year to 30 June 2024, as consolidated into the accounts for HFMA, were:

# Notes forming part of the Financial Statements For the year ended 30 June 2024

## 16. Subsidiaries (continued)

### PROFIT AND LOSS ACCOUNT

Year to 30 June 2023 £'000		Year to 30 June 2024 £'000
5,135	Turnover	5,528
(1,513)	Cost of sales	(1,294)
<b>3,622</b>	<b>Gross profit</b>	<b>4,234</b>
33	Interest received	95
<b>3,655</b>		<b>4,329</b>
(1,697)	Administration	(2,189)
(1,139)	Association recharge	(1,235)
<b>819</b>	<b>Net result</b>	<b>905</b>

### BALANCE SHEET

As at 30 June 2023 £'000		As at 30 June 2024 £'000
203	Fixed assets	206
5,808	Current assets	5,555
(4,845)	Creditors: Amounts falling due within one year	(4,323)
1,166	Total assets less current liabilities	1,438
(1,166)	Creditors: Amounts falling due after more than one year	(1,438)
<b>-</b>	<b>Net assets</b>	<b>-</b>

The turnover in HFMA Limited totalled **£5,528,000** (2023 £5,135,000) for the year of which **£62,000** (2023 £106,000) related to activities performed for HFMA which is removed on consolidation. Therefore, in the consolidated accounts turnover relating to HFMA Limited is shown as **£5,466,000** (2023 £5,029,000).

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

The principal activity of the company was providing consultancy services to the healthcare industry. There was no trading in this subsidiary in the year to 30 June 2024 or 30 June 2023. The Financial Statements of HCS Ltd for the year to 30 June 2024, as consolidated into the accounts of HFMA had **£nil** net assets (30 June 2023 £nil).

## 17. Statement of funds

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

Unrestricted funds	at 1 July 2023 £'000	Surplus/ (Deficit) £'000	Transfers £'000	Unrecognised gains/(losses) £'000	at 30 June 2024 £'000
<b>General funds</b>					
Trading funds	-	905	(905)	-	-
General fund	3,972	(715)	904	172	4,333
<b>Designated funds</b>					
Branch fund	649	(1)	-	10	658
Bursary fund	39	-	1	-	40
<b>Consolidated</b>	<b>4,660</b>	<b>189</b>	<b>-</b>	<b>182</b>	<b>5,031</b>

The transfers between funds relate to the total Gift Aid to the Association Centre from the trading subsidiaries.

**Notes forming part of the Financial Statements  
For the year ended 30 June 2024**

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

**HFMA Group  
Analysis of net assets between  
funds  
as at 30 June 2024**

	<b>General fund</b>	<b>Branch fund</b>	<b>Bursary fund</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed assets	7,052	96	-	7,148
Cash at bank and in hand	2,548	13	40	2,601
Other current assets	2,291	1,528	-	3,819
Current liabilities	(6,109)	(979)	-	(7,088)
Liabilities due after more than 1 year	(1,449)	-	-	(1,449)
	<b>4,333</b>	<b>658</b>	<b>40</b>	<b>5,031</b>

**Analysis of net assets between  
funds  
as at 30 June 2023**

	<b>General fund</b>	<b>Branch fund</b>	<b>Bursary fund</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed and intangible assets	6,492	86	-	6,578
Cash at bank and in hand	2,852	13	39	2,904
Other current assets	2,900	1,401	-	4,301
Current liabilities	(7,098)	(851)	-	(7,949)
Liabilities due after more than 1 year	(1,174)	-	-	(1,174)
	<b>3,972</b>	<b>649</b>	<b>39</b>	<b>4,660</b>

**HFMA Company  
Analysis of net assets between funds  
as at 30 June 2024**

	<b>General fund</b>	<b>Branch fund</b>	<b>Bursary fund</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed and intangible assets	6,846	96	-	6,942
Cash at bank and in hand	2,293	13	40	2,346
Other current assets	(49)	1,528	-	1,479
Current liabilities	(4,746)	(979)	-	(5,725)
Liabilities due after more than 1 year	(11)	-	-	(11)
	<b>4,333</b>	<b>658</b>	<b>40</b>	<b>5,031</b>

**Notes forming part of the Financial Statements (continued)**  
**For the year ended 30 June 2024**

**Analysis of net assets between funds  
as at 30 June 2023**

	<b>General fund</b>	<b>Branch fund</b>	<b>Bursary fund</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed and intangible assets	6,289	86	-	<b>6,375</b>
Cash at bank and in hand	1,415	13	39	<b>1,467</b>
Other current assets	513	1,401	-	<b>1,914</b>
Current liabilities	(4,237)	(851)	-	<b>(5,088)</b>
Liabilities due after more than 1 year	(8)	-	-	<b>(8)</b>
	<b>3,972</b>	<b>649</b>	<b>39</b>	<b>4,660</b>

**19. Capital commitments**

At 30 June 2024, there were £17,000 (30 June 2023 £71,000) capital commitments for activities contracted for but not provided in the financial statements.

# Notes forming part of the Financial Statements

## For the year ended 30 June 2024

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

#### Opinion

We have audited the financial statements of Healthcare Financial Management Association (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 June 2024 which comprise Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Statements of Financial Position, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2024; and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### Basis for opinion

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

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the

UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the directors' report and the strategic report, prepared for the

## INDEPENDENT AUDITOR'S REPORT (continued)

purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report and the strategic report, included within the trustees' annual report, have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report, included within the trustees' annual report.

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

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

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 8 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to

cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent

## INDEPENDENT AUDITOR'S REPORT (continued)

charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from external advisors.

The group audit engagement team identified the risk of management override of controls and the existence and valuation of certain revenue streams as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and performing substantive test of details over a sample of income transactions.

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

### Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with

section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Kerry Gallagher*

KERRY GALLAGHER (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants  
Second Floor  
1 The Square  
Temple Quay  
Bristol  
BS 1 6DG

Date 07/11/24

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

**HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION**

England & Wales - Charity number 1114463

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# Accounts

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Company Number 5787972

# HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION

Trustees' Report and Financial Statements

For the year ending 30 June 2023

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## HFMA

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# SENIOR EXECUTIVES AND BOARD OF TRUSTEES

## Board of Trustees and Directors

### PRESIDENT

2022/23: Lee Bond  
2021/22: Owen Harkin  
2020/21: Caroline Clarke

### VICE PRESIDENTS

2022/23: Claire Wilson  
2022/23: Lee Outhwaite  
2021/22: Lee Bond  
2021/22: Claire Wilson  
2020/21: Owen Harkin  
2020/21: Lee Bond

### IMMEDIATE PAST PRESIDENT

2022/23: Owen Harkin  
2021/22: Caroline Clarke  
2020/21: Caroline Clarke

### CHAIR OF AUDIT AND FINANCE COMMITTEE

Simon Crowther

### ALL TRUSTEES AND DIRECTORS

Sanjay Agrawal  
Lee Bond  
Nicci Briggs (appointed 8 December 2022)  
David Chandler  
Simon Crowther  
Caroline Clarke  
Maureen Edwards (resigned 8 December 2022)  
Alex Gild (resigned 8 December 2022)  
Kavita Gnanaolivu  
Bill Gregory  
Owen Harkin  
Kim Li  
Richard McCallum  
Lee Outhwaite  
Peter Ridley  
Dawn Scrafield  
Wendy Thompson (appointed 8 December 2022)  
Claire Wilson

## Registered Charity Name and Registered Office

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

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

## HFMA Senior Executive Team

### CHIEF EXECUTIVE / SECRETARY

Mark Knight

### DEPUTY CHIEF EXECUTIVE & DIRECTOR OF FINANCE

Ian Turner

### DIRECTOR OF POLICY AND RESEARCH

Emma Knowles

## Advisors

### BANKER

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

### SOLICITOR

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

### AUDITOR

RSM UK Audit LLP Chartered Accountants  
Second Floor, 1 The Square, Temple Quay, Bristol, BS1 6DG

# REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE FOR THE YEAR ENDED 30 JUNE 2023

## President's and Chief Executive's Report

The business plan for the year was clear that the focus for the year should be one of maintaining and, where possible, increasing the volume of activities provided by the association to support the membership. At the same time, it was important to ensure the organisation was financially sustainable by making a surplus to bring reserves further back to the level they were at pre-pandemic.

We are delighted to be able to say that both objectives were achieved. The volume of activity and support to members has been greater than ever, while, financially, the statutory accounts show a surplus of £416,000 for the year to 30 June 2023. This financial result brings the financial reserves of the HFMA up to a level of £4,660,000, which is slightly ahead of the pre-pandemic position.

The year also saw major investment in the information technology and digital infrastructure at HFMA, one of the key strands of our strategy.

The first of these projects to be completed was a total revamp of the audio-visual system and supporting software at our conference centre in London, 110 Rochester Row. This puts this facility in the top quartile of London venues in terms of in-house technology.

The other two projects started in the year are a totally new website and content management system, which is planned to be completed by December 2023, and the development of a new and streamlined learning management system (LMS). The LMS project is due for completion in mid-2024 and will enhance the functionality and simplify the systems we use to deliver our hugely successful on-line training.

This investment in information technology and digital infrastructure ensures a better and more personalised service to our members, which is what our membership has asked for.

When we develop our business plan, we set key performance indicators in addition to financial targets, which we measure ourselves against each year. These show that, as at 30 June 2023, we had reached a record 22,420 members (full and associate) and supported them and others with, for example: 239,669 hours of continuing professional development and the production of 37 policy briefings and publications. We also had an average of 87 students studying for our qualifications over the year.

We ask attendees and users of all our activities to give feedback. Over the last year we achieved an amazing 98% 'good' or 'excellent' on events and the same result from everyone undertaking our bitesize e-learning. We are very proud of this feedback.

During the year to 30 June 2023, we also continued to host, work alongside and support One NHS Finance with the delivery of its programme of work in England. This encompasses Future-Focused Finance, the National

Finance Academy and the Finance Innovation Forum. We are proud to be a part of this exciting set of programmes.

We have also enjoyed working with and continuing to host the Healthcare Project and Change Management Association (HPCA) and to assist it in further developing its support for members at the same time as building a back-office function.

With support from members, the association was also able to significantly increase the public benefit of its activities. This was evidenced by the levels of social media traffic and the downloads of free material from the website.

Our theme for the year has been *Strength in numbers*. This encouraged members to reassert the influence of the finance function on discussions throughout the NHS to deliver effective and sustainable patient services. It also reflected aims to strengthen the HFMA network through a diverse and inclusive membership, fully representing the healthcare finance community at all agenda for change band levels.

The highlight of the year linked to the theme has been the development of the bands 2 to 6 and apprenticeship offer and the full rolling out of free membership to this group. This has been a huge success with 3,356 full members in this group at 30 June 2023.

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

At HFMA, we will continue to work hard to support our members as the NHS beds in the new system way of working and integrated care. There is still much to do to ensure the new, more collaborative approach delivers the best possible care for patients. But along with our members, we will work hard to help provide the right infrastructure for this to be a success.

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

Lee Bond  
president



Mark Knight  
chief executive



# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023

## Trustees' Report

The Trustees' report also contains the Directors' report as required by company law. The Trustees are also directors of Healthcare Financial Management Association for the purposes of company law.

### OBJECTS AND AIMS

#### THE OBJECTS AND AIMS OF HFMA

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

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

### STRATEGIC REPORT

#### ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

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

**To provide excellent members networks and services:** The number of individual members of HFMA at the end of the year totalled 22,420 (2021/22: 10,653).

We were very pleased that our investments over the years in IT and digital mechanisms, such as Microsoft Teams, e-learning, webinars, social media and the website have allowed us to continue delivering member benefits and indeed a wider public benefit to all in the NHS over the last year.

Our website had 216,798 visits over the year, we had 4,853 twitter followers and 9,101 LinkedIn members.

Our organisation facing offerings continue to be very popular. Virtually every NHS organisation is now a Hub member.

We also ensure all our membership offerings are now focussed to support the new place-based structures in place for our members organisations.

**To become the voice of healthcare finance through the development of leading-edge policy and technical work:** There have been considerable developments in policy and technical work during the year and we have built on the many new activities that were initiated when the impact of Covid-19 was first felt.

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

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

In England, we continued to work with key players in the healthcare sector such as the Department of Health and Social Care and NHS England and NHS Improvement. We are delighted to continue to be the prime partner for One NHS Finance ONF continuing to provide the administration and delivering a big part of the programme.

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

We continued developing our library of books, reports and briefings, producing 32 briefings and publications in the year.

**To create relevant and affordable development and qualification opportunities:** We continue to deliver the HFMA Diploma (DHBF) and Higher Diploma in Healthcare and Business Finance (HDHBF).

During the year to 30 June 2023, we had an average of 87 students studying for our qualifications.

The Association continues to be the place most NHS finance staff go to satisfy their CPD requirements. Total CPD hours delivered in the year reached 239,669. This continues one of the key statistics that demonstrates the continuing interest our membership and the wider finance community in health has for HFMA's training; be it events, webinars, qualifications or e-learning. Just as importantly HFMA targets a 90% excellent/good score from user feedback. Over the year to 30 June 2023 the average over all events was 98% a statistic we are very proud of.

Over the year we ran a vast array of face-to-face events but also continued to use the virtual platforms we put in place during the pandemic. We have been constantly talking to our members to get the mix right. The most popular events include our National Annual conference in December and our Pre-Accounts Planning event in February, which was well-attended.

Our e-learning "bitesize" modules have proven to be very sought after by the NHS finance function over the year last year. Part of the offering now includes some modules that have been uploaded onto the NHS ESR system allowing nearly all employees in the NHS to access them free of charge. At the time of writing some 52,000 downloads had taken place.

Once again, we are very proud to report that the target of achieving over 90% of users scoring each module excellent or good was achieved at 98%.

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023

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

During the year we worked closely with the NHS finance function and ONF in developing the Regional Finance Academies. These incorporate all training and development activities in each region and include the Skills Development Networks (SDN's) and Finance and Management Training Schemes (FMTS). The FMTS scheme now also incorporates apprenticeship schemes. HFMA continues to run many of these networks and schemes across the country.

**Managing ourselves effectively as a business:** This is the fourth and final objective and covers the enabling functions of the business.

The financial element of this objective is covered separately below.

After moving into the new owned premises in Bristol last financial year the focus in terms of capital projects has been working on the information technology and digital infrastructure of HFMA with three projects.

The first of these was an upgrade of the audio-visual system and supporting technology at the conference centre, 110 Rochester Row in London. This project involved spend of just under £200,000 but has put the conference centre in the top quartile of venues in London in terms of technology and is already proving to be paying for itself in terms of an increasing client base.

The second of these is a total re-build of the website and content management system at the HFMA. The approved business case involves spend of £300,000 and the project is expected to be completed by December 2023.

Finally, the trustees approved a business case during the year for a new learning management system to be built to hold all on-line learning activities. This project will bring the software up to date and allow for a streamlining of existing processes and systems. Total spend of £400,000 has been approved and the new system is expected to "go-live" in mid-2024.

The base IT systems are all up-to-date and we are now in a position where almost all systems are cloud based and each member of staff is fully mobile and has an up-to-date laptop.

The Human Resources function has been very busy over the year. The move into HFMA House allowed new working practices to be put into place so that all staff are now able to work from home or from the office. This has been a great step forward and has allowed the positives from the pandemic to be fully integrated into the way of working at the association.

Our staff continue to be our most valuable resource and a full review continues to take place each year to ensure

terms and conditions, remuneration and benefits for staff are appropriate and at least match the market.

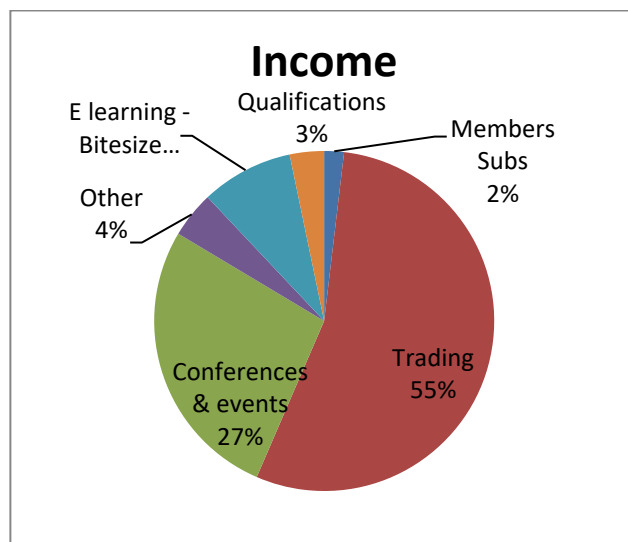
## FINANCIAL REVIEW

The result for the year is a surplus of £416,000 (2021/22 a surplus of £290,000).

This means reserves are now at £4,660,000 which means reserves are back to being just above the level they were pre-pandemic. A summary of the financial results for the last four years is shown below:

	2019/20	2020/21	2021/22	2022/23
	£	£	£	£
Turnover	6,668,000	5,453,000	7,170,000	8,686,000
Net result	(779,000)	348,000	290,000	416,000
Net assets	3,606,000	3,954,000	4,244,000	4,660,000

The increase in income between 2020/21 and 2022/23 reflects in the main the move back to more face-to-face events during the last two years and more activity on education programmes commissioned by the NHS. It does also reflect that fact that almost everything that HFMA does is now back to pre-pandemic levels other than the conference centre, 110 Rochester Row, which in the early part of the year was impacted by strikes which has held back its recovery.



Conferences and training events income in 2022/23 totalled £2,353,000 (£1,961,000 in 2021/22). Which reflects the increase in face-to-face events year on year and more NHS commissioned activities.

E-learning (Bitesize) income totalled £761,000 in 2022/23, (£826,000 in 2021/22) a small decrease year on year but still very popular within the NHS and increasingly the private sector.

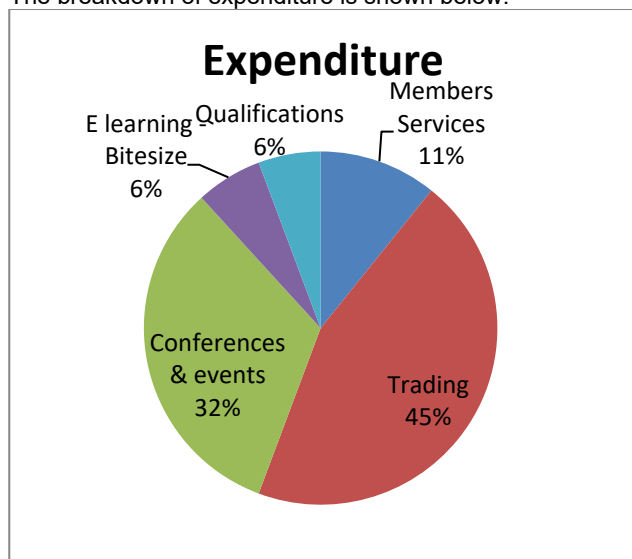
Qualifications income totalled £284,000 in 2022/23

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023

(£267,000 in 2021/22) a slight increase year-on-year reflecting a small increase in development income rather than an increase in student income which is static year on year.

The income from the trading subsidiary HFMA Ltd is considerably above the previous year at £4,745,000 for 2022/23 (£3,878,000 in 2021/22). This is as a result of more activities taking place than in the previous year and sponsorship income being back to pre-pandemic levels.

The breakdown of expenditure is shown below:



By far the greatest activity in terms of income, other than the trading activities in the subsidiary companies noted above, is conferences and events. Expenditure totalled £2,702,000 in 2022/23 (£2,216,000 in 2021/22). The increase reflects the fact that costs of running face to face events are considerably higher than the costs of running virtual events. It is also the case that conferences and events run at a planned loss and are subsidised by other activities.

Members subscriptions totalled £163,000 in 2022/23 (£174,000 in 2021/22). The costs of member services are a little below the previous year at £896,000 in 2022/23 (£955,000 in 2021/22). The reduction in members subscriptions is mainly due to the decision being taken to provide membership free to all NHS staff on bands 2-6 and apprentices. This has led to a small reduction in membership income but a huge increase in membership and so has been a great success.

It is congruent with the objects and aims of the charity and the Charity Commission's guidance on Public Benefit, that subscriptions paid by members cover only a small percentage of the costs of providing member services with the surpluses achieved in the trading operations of HFMA subsidising the balance of the costs. The trading surpluses are also used to subsidise conferences and events which also run at a planned loss as noted above.

The costs of e-learning, Bitesize, packages are up year-on-

year at £505,000 in 2022/23 (£480,000 in 2021/22). With income slightly down the result is a decreased contribution at £256,000 in 2022/23 (£346,000 in 2021/22). This line of activity provides an important contribution to cover the costs of the association's activities.

It should be noted that the surplus in the trading subsidiary HFMA Ltd of £819,000 in 2022/23 (£1,016,000 in 2021/22). This is a good result although lower year on year. This is due to a number of lower margin activities taking place in terms of events which were run face-to-face rather than on-line and so gives a lower margin.

This surplus is passed by gift aid to HFMA and was used by the charity to subsidise the cost of activities and services provided to the members of HFMA as noted above.

The financial statements have been prepared in accordance with relevant law and current accounting conventions and in particular the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)).

## PUBLIC BENEFIT

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

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

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

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

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

The activities and achievements of the charity in the year to 30 June 2023 are detailed in the President and Chief Executive's report with commentary as to how the objectives set were met. These achievements demonstrate how successful HFMA has been in fulfilling its objectives and providing a Public Benefit.

## FUTURE PLANS

The new strategy for the three years to 30 June 2026 was launched in September 2022.

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023

The business plan for the second year of this strategy for the year to 30 June 2024 has been produced.

The plans for the year ahead for each main objective in the strategy and business plan for the year are detailed below:

- **To provide excellent member networks and services:** it is important that HFMA not only maintains the current quality of services but also develops them to support our members and the wider NHS at a time of ever-growing financial pressure. In terms of membership, our clear strategy will be to maintain our existing level of membership in the year ahead and grow it if we can particularly in the band 2-6 and apprenticeship category. We will also continue working closely with the other main supporters of finance professionals in the NHS particularly ONF.
- **To continue to be the influential voice of healthcare finance, facilitating change through leading edge policy and technical work:** HFMA provides material that is relevant and timely for members and those in healthcare and particularly the NHS who are interested in NHS Finance. It is planned to keep up with demand for specific publications and training packages during the following year. A clear focus will be to support the NHS and the wider community in their understanding of the impact the overall NHS move towards more place-based structures. We aim to ensure our outputs provide the best support to our members and the organisations they work for. We will continue to work closely with the NHS leadership teams in developing and influencing policy and we will be continuing to foster relationships with other organisations, such as the accounting bodies and medical.
- **To create relevant and accessible development and qualification opportunities;** the full conference and seminar programme, locally at branches and nationally, will be followed and the balance between delivery as face to face and virtually will be constantly monitored and advice taken from members. We will continue assisting the new Regional Academies incorporating local SDN and FMTS groups. Each branch will run a minimum of four events of which at least one will be fee free. We will also be looking to further develop our faculty programme. We will further develop our e-learning Bitesize products and programmes and maintain our existing qualifications. Our usual programme of updating existing material will also take place to ensure that the training we deliver is up to date and of the highest quality.

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

Most training activities are open to non-members as well as

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

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

## RESERVES AND GOING CONCERN

HFMA's total reserves which have been built up slowly over many years were severely reduced in the year to 30 June 2020 by £779,000 as a direct result of lost revenue due to the impact of Covid-19. The results for the years to 30 June 2021, 2022 and 2023 have achieved that goal with reserves now standing at £4,660,000 (2021/22 £4,244,000).

All reserves are held in funds whose use is at the discretion of the Trustees as long as they are used as laid out in the objects and aims of the charity. The reserves policy below is set by the Trustees.

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

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

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

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

The Trustees consider it is appropriate to treat the Charity as a going concern.

This is due to the Trustees and Senior Management team having a clear understanding of the risks facing the organisation and robust cash management plans.

The largest uncertainty facing the Charity is the ability to run events at the Conference Centre in London, 110 Rochester Row. However, stress testing the budget and resulting cash flow forecasts for this risk, alongside considering other downside risks, shows that HFMA has cash reserves available for the period to 30 June 2025.

It is also worth noting that if needed HFMA has fixed assets investments which could be sold if further cash was required. The value of these investments at 30 June 2023

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023

was £1,944,000.

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

## TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware; and

- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

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

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

## INVESTMENT POLICY

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

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

Any major capital investment over £75,000 requires Trustee approval and should be supported by a business case and with appropriate professional advice.

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

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

## CONSTITUTION AND GOVERNANCE

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

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023

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

During 2022/23, the Board of Trustees comprised the National President, two Vice-Presidents, Past Chair and Chair of the Audit and Finance Committee, who are nominated by the membership as a whole, and a representative from each of the three devolved nations who are elected by their branches and seven Trustees who are appointed by Board of Trustees. All the Trustees are directors of HFMA.

During the year the Board usually meets formally four times. When appropriate or necessary additional Board meetings are called. These meetings along with briefing papers for the Board ensured the Trustees were fully briefed on the risks and actions being taken and fully involved in decision making over this period.

Over the year, in addition to regular Board meetings, the Audit and Finance Committee and the Appointments and Remuneration Committee met four times. These two committees have delegated powers and responsibilities that are documented and approved by the Board.

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

The day to day running of HFMA is delegated by the Board to the CEO and Senior Management Team. Senior Management Team meetings take place monthly.

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

The 13 branches have their own volunteer branch executives usually comprising a Branch Chair, a Branch Treasurer and a Branch Secretary.

The year to 30 June 2023 was the first year of the 2023-26 strategy. The strategy has been communicated to every member of HFMA and further details can be found on HFMA's website [www.hfma.org.uk](http://www.hfma.org.uk). Each year staff are involved in delivering and updating progress against the strategy. As usual the annual business plan for the year ahead was also agreed as were individual business plans for each branch.

There is a Scheme of Delegation which states the level of authority required for decision making and expenditure which is reviewed by the Trustees each year. Each activity

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

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

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

## RISK MANAGEMENT

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

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

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

In the last quarter of the year to 30 June 2020 HFMA pivoted the operations of the organisation to manage the impact of Covid-19. The management of this risk led to all HFMA's staff moving to working from home, all face-to-face events were cancelled or moved to being run as virtual events and the conference centre 110 Rochester Row was closed.

The Business Continuity planning ensured that the impact of Covid-19 was managed and HFMA was able to start the year from 1 July 2020 having fully pivoted the business model. This included mitigations around cost being put in place to bring the expenditure of the Charity down to match a prudent estimate of income going forward from 1 July 2020.

Although these mitigations give the Board comfort that the risk around the impact of Covid-19 is being managed appropriately, the risk of further negative impacts on income still exists notably at 110 Rochester Row and so this is still

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023

seen as the major risk that the Charity needs to manage at the time of writing this report.

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

### **SERVICES PROVIDED BY OTHER BODIES**

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

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

### **BRANCHES**

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

### **AUDITOR**

A resolution proposing that RSM UK Audit LLP be reappointed as statutory auditor of the Charity will be put to the Annual General Meeting on 7 December 2023.

The Trustees Report and the Strategic Report contained within it were approved by the Board on 7 November 2023 and signed on its behalf by;



Simon Crowther

Trustee and Chair of the Audit Committee.



# FINANCIALS – Statement of financial position

## Consolidated and charity statements of financial position as at 30 June 2023

30 June 2022			30 June 2023		
Association £'000	Consolidation £'000		Notes	Association £'000	Consolidation £'000
		<b>Fixed assets</b>			
4,276	4,320	Tangible assets	7a	4,197	4,400
35	35	Intangible assets	7b	234	234
1,906	1,906	Investments	7c	1,944	1,944
<b>6,217</b>	<b>6,261</b>	<b>Total fixed assets</b>		<b>6,375</b>	<b>6,578</b>
		<b>Current assets</b>			
-	2	Stocks		-	-
745	1,952	Debtors	8	1,914	4,301
979	3,969	Cash at bank and in hand	9	1,467	2,904
<b>1,724</b>	<b>5,923</b>	<b>Total current assets</b>		<b>3,381</b>	<b>7,205</b>
(3,685)	(6,546)	Creditors: Amounts falling due within one year	10	(5,088)	(7,949)
<b>(1,961)</b>	<b>(623)</b>	<b>Net current liabilities</b>		<b>(1,707)</b>	<b>(744)</b>
		<b>Total assets less current liabilities</b>			
(12)	(1,394)	Creditors: Amounts falling due after more than one year	11	(8)	(1,174)
<b>4,244</b>	<b>4,244</b>	<b>Net assets</b>		<b>4,660</b>	<b>4,660</b>
		<b>Unrestricted funds</b>			
3,580	3,580	General fund		3,972	3,972
		<b>Designated funds</b>			
626	626	Branch fund		649	649
38	38	Bursary fund		39	39
<b>4,244</b>	<b>4,244</b>	<b>Total unrestricted funds</b>	17	<b>4,660</b>	<b>4,660</b>

The notes on pages 14 to 29 form part of these accounts.

The accounts were approved by the Board of Trustees on 7 November 2023



Lee Bond, President

# FINANCIALS – Statement of Cash Flows

## Consolidated Statement of Cash Flows for the year ended 30 June 2023

<b>2021-22</b>		Notes	<b>2022-23</b>
<b>£'000</b>			<b>£'000</b>
<u>3,375</u>	Net cash inflow/(outflow) from operating activities	14	<u>(694)</u>
	<b>Cash flows from investing activities</b>		
-	Interest received		22
56	Dividends received		57
(464)	Purchase of tangible fixed assets		(450)
(850)	Loans received(paid)		-
200	Sale of investments		-
<u>(1,058)</u>	<b>Total (outflow) from investing activities</b>		<u>(371)</u>
<u>2,317</u>	<b>Increase/(Decrease) in cash</b>		<u>(1,065)</u>

The notes on pages 14 to 29 form part of these accounts.

## Reconciliation of net cash flow to movement in cash

<b>2021-22</b>		<b>2022-23</b>
<b>£'000</b>		<b>£'000</b>
1,652	Cash at the beginning of the year	3,969
<u>2,317</u>	Increase/(Decrease) in cash in the year	<u>(1,065)</u>
<u>3,969</u>	Cash at the end of the year	<u>2,904</u>

## Analysis of changes in net debt

	As at 30 June 2022	Cash flows	As at 30 June 2023
	£'000	£'000	£'000
<b>Cash and cash equivalents</b>			
Cash	3,969	(1,065)	2,904
<b>Borrowings</b>			
Debt due within one year	-		-
<b>Total</b>	<u>3,969</u>	<u>(1,065)</u>	<u>2,904</u>

	As at 30 June 2021	Cash flows	As at 30 June 2022
	£'000	£'000	£'000
<b>Cash and cash equivalents</b>			
Cash	1,652	2,317	3,969
<b>Borrowings</b>			
Debt due within one year	(850)	850	-
<b>Total</b>	<u>802</u>	<u>3,167</u>	<u>3,969</u>

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2023

### 1. Accounting Policies

#### a) GENERAL INFORMATION

HFMA is a limited company and charity incorporated in England and Wales. It is also a Charity in Scotland. The address of HFMA's registered office is 110 Rochester Row, Victoria, London, SW1P 1JP. The principal places of business of HFMA are 110 Rochester Row, Victoria, London, SW1P 1JP and HFMA House, 4 Broad Plain, Bristol, BS2 0JB.

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

#### b) BASIS OF PREPARATION

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

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

#### c) GOING CONCERN

The accounts have been produced on the basis that the charity is a going concern. This is as a result of the trustees having a clear understanding of the risks facing the organisation and the existence of robust cash management plans. The Charity also has budgets and resulting cash flows which have been stress tested for the year ahead which support this view.

The largest uncertainty facing the Charity is the ability to run events at the Conference Centre in London, 110 Rochester Row. However, stress testing the budget and resulting cash flow forecasts for this risk, alongside considering other downside risks, shows that HFMA has cash reserves available at least through to 30 June 2025.

After taking into account the stress testing, there is still headroom over the period to 30 June 2025. If an unforeseen risk occurs or the risks considered in the stress testing are of a larger quantum than considered, HFMA has the ability to sell some or all of its fixed assets investments if further cash was required. The value of these investments at 30 June 2023 was £1,944k. It is worth noting that these investments if realised and turned into cash would turn the net current liabilities position of the Charity into a net current assets position at 30 June 2023. It is also worth noting that included in current liabilities in the balance sheet is £5,549k of deferred income, which if added back would also turn the net current liabilities position into a net current assets position.

#### d) REDUCED DISCLOSURES

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

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

#### e) FUNCTIONAL AND PRESENTATIONAL CURRENCY

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

#### f) FINANCIAL INSTRUMENTS

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

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2023

### 1. Accounting Policies (continued)

#### f) FINANCIAL INSTRUMENTS (continued)

##### **Financial assets**

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

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

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

##### **Financial liabilities**

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

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

#### g) GROUP FINANCIAL STATEMENTS

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

#### h) INCOME

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

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

#### i) VOLUNTEERS

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

#### j) EXPENDITURE

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

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2023

### 1. Accounting Policies (continued)

#### j) EXPENDITURE (continued)

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

#### k) LEASED BUILDINGS AND EQUIPMENT

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

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

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

#### l) TANGIBLE FIXED ASSETS

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

Depreciation on these assets is calculated as follows:

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

#### m) INTANGIBLE FIXED ASSETS

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

#### n) INVESTMENTS

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

#### o) STOCK

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

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2023

### 1. Accounting Policies (continued)

#### p) FUNDS STRUCTURE

All funds are unrestricted income funds. These are split into undesignated (the General and Branches funds) and designated funds (the Bursary and Deep Reserve funds). The General and Branches funds should be built up to at least six months' worth of total annual costs of HFMA to cover short-term falling off in demand for the services offered. The Bursary fund is to support those with low incomes accessing the services of HFMA or assisting members in activities that benefit healthcare in the UK that they would not be able to perform without support.

#### q) PENSIONS

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

- All employees are automatically enrolled into a defined contribution scheme whereby the Association contributes 6% of the employee's salary and the employee contributes a minimum of 3%. Employees can opt out of this scheme if they wish. These funds are the property of the individual employees.
- All employees can choose to enrol into a further Group defined contribution scheme whereby the Association contributes 11% of the employee's salary and the employee contributes a minimum of 6%. These funds are the property of the individual employees.

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

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

#### r) FOREIGN CURRENCIES

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

#### s) PROVISIONS

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

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

#### t) SIGNIFICANT JUDGEMENT AND ESTIMATES

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

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

The trustees consider there to be two key judgments made in the preparation of these financial statements. Firstly, the residual value of the long leasehold interest in Rochester Row which the trustees considered to be materially comparable to its cost. Secondly, the existence and valuation of deferred income for contracts. Revenue is recognised on contracts in line with the delivery of key milestones, costs incurred to date, or if these cannot be measured reliably, evenly over the life of the contract. These methods involve management making assumptions and judgements in relation to future delivery of these contracts, and as a result the value of deferred income is dependent on such judgements.

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

### For the year ended 30 June 2023

## 2. Income

### a) INCOME FROM RAISING FUNDS

#### VOLUNTARY INCOME

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

2021-22			2022-23	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
171	171	Subscriptions	163	163
3	3	Grants and Donations (CJRS payments)	-	-
<b>174</b>	<b>174</b>		<b>163</b>	<b>163</b>

#### ACTIVITIES FOR GENERATING FUNDS

For details of the trading turnover of HFMA Ltd, please see note 16a and HFMA Commercial Services Limited note 16b.

#### INVESTMENT INCOME AND INTEREST RECEIVED

2021-22			2022-23	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
(5)	56	Investment Income	46	80
159	-	Rental income	159	-
<b>154</b>	<b>56</b>		<b>205</b>	<b>80</b>

### b) INCOME FROM CHARITABLE ACTIVITIES

#### CONFERENCES AND SEMINARS

2021-22			2022-23	
Association	Association		Association	Consolidation
£'000	£'000		£'000	£'000
1,691	1,691	National and regional events	2,027	2,027
270	270	Branch events	326	326
<b>1,961</b>	<b>1,961</b>		<b>2,353</b>	<b>2,353</b>

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2023

### 3. Expenditure

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

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

COST ANALYSIS 2022-23	Direct Costs	Support Costs	TOTAL	TOTAL
	2022-23	2022-23	2022-23	2021-22
	£'000	£'000	£'000	£'000
<b>Generating Voluntary Income</b>	7	163	170	159
<b>Conferences and Seminars</b>	1,683	1,019	2,702	2,216
<b>E-learning</b>	50	455	505	480
<b>Member Services including publications and magazine</b>	48	678	726	796
<b>Qualification</b>	96	398	494	556
<b>Total Association</b>	<b>1,884</b>	<b>2,713</b>	<b>4,597</b>	<b>4,207</b>
<b>HFMA Ltd</b>	1,417	2,295	3,712	2,546
<b>Consolidated</b>	<b>3,301</b>	<b>5,008</b>	<b>8,309</b>	<b>6,753</b>

#### a) COSTS OF GENERATING FUNDS

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

#### b) COSTS OF CHARITABLE ACTIVITIES

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

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

2021-22			2022-23	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
404	404	Branch events	459	459
1,812	1,812	Centre events	2,243	2,243
<b>2,216</b>	<b>2,216</b>		<b>2,702</b>	<b>2,702</b>

### 4. Audit Fees

The total external audit fees were:

2021-22			2022-23	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
18	18	Charity	21	21
-	4	HFMA Ltd	-	4
<b>18</b>	<b>22</b>		<b>21</b>	<b>25</b>
-	3	Other services supplied by affiliates of RSM UK Audit LLP	-	3

## Notes forming part of the Financial Statements (continued) For the year ended 30 June 2023

### 5. Staff Costs and Trustees' Remuneration

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

#### a) STAFF COSTS

<b>2021-22</b>		<b>2022-23</b>
<b>£'000</b>		<b>£'000</b>
2,700	Staff salaries	3,302
289	Employers NI costs	345
315	Pension costs	401
115	Sundry (including Childcare Vouchers and Staff Training)	203
<b>3,419</b>		<b>4,251</b>

Staff costs are allocated according to the functions of each staff member: £1,866,000 in 2022/23 (2021/22 £1,603,000) is included in direct costs, £2,385,000 in 2022/23 (2021/22 £1,679,000) in support costs together they form part of trading costs, fundraising costs, and charitable expenditure, as appropriate (see note 3).

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

The average employee headcount throughout the year:

<b>2021-22</b>		<b>2022-23</b>
43	Operations/Technical	52
4	Qualification	5
7	Business Development	6
17	Administration	17
<b>71</b>		<b>79</b>

#### c) EMOLUMENTS

The number of employees whose emoluments (including remuneration and benefits in kind but excluding pension contributions) that amounted to over £60,000 was:

<b>2021-22</b>		<b>2022-23</b>
5	Band £60,000 - £70,000	5
1	Band £70,001 - £80,000	2
2	Band £80,001 - £90,000	-
0	Band £90,001 - £100,000	1
-	Band £100,001 - £110,000	1
1	Band £110,001 - £120,000	-
-	Band £120,001 - £130,000	1
1	Band £180,001 - £190,000	-
-	Band £200,001 - £210,000	1

#### d) KEY MANAGEMENT

The key management of HFMA during the year were the Chief Executive, Deputy Chief Executive & Director of Finance and the Director of Policy whose combined working weeks totalled to the equivalent of 2.8 full time equivalent (FTE) employees. Their employee benefits including remuneration, benefits in kind, employers pension costs and employers National Insurance total £533,000 for 2022/23 (2021/22 Chief Executive, Deputy Chief Executive & Director of Finance, Director of Policy & Research and Director of Education & Development, 2.8 FTE and total cost £478,000).

#### e) PENSIONS

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

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2023

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

#### f) TRUSTEES

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

2021-22 £'000	Type of Expense	2022-23 £'000
1	Subsistence	-
3	Travel	18
3	Accommodation	-
3	Training	1
<b>10</b>		<b>19</b>

### 6. Property and Operating Lease Commitments

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

2021-22			2022-23	
Association £'000	Consolidation £'000		Association £'000	Consolidation £'000
27	27	One year or less	63	63
40	40	Two to five year	56	56
-	-	Over 5 years	4	4

Property and operating lease costs shown within the statements of financial activities within support costs were £38,000 in 2022/23 (2021/22 £5,000) for Association and £38,000 in 2022/23 (2021/22 £5,000) for the consolidated group.

### 7.a) Tangible Fixed Assets

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

	Freehold £'000	Long Leasehold £'000	Leasehold Improvements £'000	Equipment £'000	Total £'000
Cost as at 1 July 2022	1,104	2,030	1,345	456	4,935
Additions	1	-	-	215	216
Cost of assets written off	(4)	-	-	(319)	(323)
<b>Cost as at 30 June 2023</b>	<b>1,101</b>	<b>2,030</b>	<b>1,345</b>	<b>352</b>	<b>4,828</b>
Cumulative depreciation as at 1 July 2022	11	29	216	359	615
Depreciation charge for the year	22	-	27	46	95
Depreciation on assets written off	-	-	-	(282)	(282)
<b>Cumulative depreciation as at 30 June 2023</b>	<b>33</b>	<b>29</b>	<b>243</b>	<b>123</b>	<b>428</b>
Net book value as at 1 July 2022	1,093	2,001	1,129	97	4,320
<b>Net book value as at 30 June 2023</b>	<b>1,068</b>	<b>2,001</b>	<b>1,102</b>	<b>229</b>	<b>4,400</b>

Notes forming part of the Financial Statements (continued)  
For the year ended 30 June 2023

7. a) Tangible Fixed Assets (continued)

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

	Freehold	Long Leasehold	Leasehold Improvements	Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost as at 1 July 2022	1,104	2,030	1,344	304	4,782
Additions	1	-	-	1	2
Cost of assets written off	(4)	-	-	(229)	(233)
<b>Cost as at 30 June 2023</b>	<b>1,101</b>	<b>2,030</b>	<b>1,344</b>	<b>76</b>	<b>4,551</b>
Cumulative depreciation as at 1 July 2022	11	29	213	253	506
Depreciation charge for the year	22	-	27	19	68
Depreciation on assets written off	-	-	-	(220)	(220)
<b>Cumulative depreciation as at 30 June 2023</b>	<b>33</b>	<b>29</b>	<b>240</b>	<b>52</b>	<b>354</b>
Net book value as at 1 July 2022	1,093	2,001	1,131	51	4,276
<b>Net book value as at 30 June 2023</b>	<b>1,068</b>	<b>2,001</b>	<b>1,104</b>	<b>24</b>	<b>4,197</b>

7.b) Intangible Fixed Assets

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

	Software	Total
	£'000	£'000
Cost as at 1 July 2022	209	209
Additions	234	234
Cost of assets written off	(100)	(100)
<b>Cost as at 30 June 2023</b>	<b>343</b>	<b>343</b>
Cumulative amortisation as at 1 July 2022	174	174
Amortisation charge for the year	10	10
Amortisation of assets written off	(75)	(75)
<b>Cumulative amortisation as at 30 June 2023</b>	<b>109</b>	<b>109</b>
Net book value as at 1 July 2022	35	35
<b>Net book value as at 30 June 2023</b>	<b>234</b>	<b>234</b>

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2023

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

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

	Software	Total
	£'000	£'000
Cost as at 1 July 2022	189	189
Additions	234	234
Cost of assets written off	(100)	(100)
<b>Cost as at 30 June 2023</b>	<b>323</b>	<b>323</b>
Cumulative amortisation as at 1 July 2022	154	154
Amortisation charge for the year	10	10
Amortisation of assets written off	(35)	(35)
<b>Cumulative amortisation as at 30 June 2023</b>	<b>89</b>	<b>89</b>
Net book value as at 1 July 2022	35	35
<b>Net book value as at 30 June 2023</b>	<b>234</b>	<b>234</b>

### 7. c) Investments

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

	Market Value as at 30 June 2022	Disposal	Market value as at 30 June 2023	Gain in year
	£'000	£'000	£'000	£'000
CCLA Funds	1,091	-	1,120	29
Barclays Funds	815	-	824	9
<b>Total</b>	<b>1,906</b>	<b>-</b>	<b>1,944</b>	<b>38</b>

The gain in the year was all unrealised.

### 8. Debtors

as at 30 June 2022			as at 30 June 2023		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
541	1,697	General debtors	1,616	3,906	
26	-	Amounts due from group companies	61	-	
178	255	Prepayments & accrued income	237	395	
<b>745</b>	<b>1,952</b>		<b>1,914</b>	<b>4,301</b>	

### 9. Cash at bank and in hand

The bank and cash accounts held are as follows:

as at 30 June 2022			as at 30 June 2023		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
979	3,969	Current accounts	147	1,584	
-	-	Deposit accounts	1,320	1,320	
<b>979</b>	<b>3,969</b>	Total cash balance	<b>1,467</b>	<b>2,904</b>	

**Notes forming part of the Financial Statements (continued)**  
**For the year ended 30 June 2023**

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

as at 30 June 2022			as at 30 June 2023		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
422	733	Trade creditors	622	1,013	
1,249	-	Amounts due to group companies	1,922	-	
89	89	Social security creditors	95	96	
30	30	Pension creditors	40	40	
-	27	Other creditors	14	122	
593	776	Accruals	754	1,129	
1,302	4,891	Deferred income	1,641	5,549	
<b>3,685</b>	<b>6,546</b>		<b>5,088</b>	<b>7,949</b>	

Deferred income as at 30 June 2023 consists of the income for events and service delivery that takes place in the next financial year.

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

2021-22			2022-23		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
1,389	3,628	Deferred Income falling due within one year as at 1 July	1,302	4,891	
(1,389)	(3,628)	Released during year	(1,302)	(4,891)	
1,302	4,891	Additional Deferred Income for year	1,641	5,549	
<b>1,302</b>	<b>4,891</b>	Deferred Income falling due within one year carried forward as at 30 June	<b>1,641</b>	<b>5,549</b>	

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

as at 30 June 2022			as at 30 June 2023		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
12	1,394	Deferred Income	8	1,174	
<b>12</b>	<b>1,394</b>		<b>8</b>	<b>1,174</b>	

Deferred Income as at 30 June 2023 consists of the income for events and service delivery that takes place in more than one year.

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

2021-22			2022-23		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
14	370	Deferred Income falling due after more than one year as at 1 July	12	1,394	
(14)	(370)	Released during year	(12)	(714)	
12	1,394	Additional Deferred Income for year	8	494	
<b>12</b>	<b>1,394</b>	Deferred Income falling due after more than one year carried forward as at 30 June	<b>8</b>	<b>1,174</b>	

**Notes forming part of the Financial Statements (continued)**  
**For the year ended 30 June 2023**

**12. Financial Instruments**

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

**Financial assets**

as at 30 June 2022			as at 30 June 2023	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
541	1,697	General debtors	1,616	3,906
26	-	Amounts due from group companies	61	-
144	149	Accrued income	163	278

**13. Analysis of Net Assets of Branches**

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

Net assets at 30th June 2022 £'000	Branch	Net assets at 30th June 2023 £'000
39	East Midlands	30
25	Eastern	25
37	Kent, Sussex and Surrey	27
25	London	31
39	North-West	33
60	Northern	87
45	Northern Ireland	46
19	Scotland	22
105	South-West	97
18	South Central	13
62	Wales	65
137	West Midlands	147
15	Yorkshire and Humber	26
<b>626</b>		<b>649</b>

The overall surplus for the branches for the year was £23k (2022 a deficit of £12k).

## Notes forming part of the Financial Statements (continued) For the year ended 30 June 2023

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

Year to 30th June 2022 £'000		Year to 30th June 2023 £'000
290	Net income/(expenditure) for the year:	416
144	Depreciation and amortisation	105
(36)	Realised loss/(gain) on sale of investment	-
163	Unrealised loss/(gain) on investment	(38)
51	Loss on assets written off	66
(56)	Interest and dividends receivable	(79)
556	EBITDA	470
1	(Increase)/decrease in stocks held	2
83	(Increase)/decrease in debtors	(2,349)
2,735	Increase/(decrease) in creditors	1,183
<b>3,375</b>	<b>Net cash inflow/(outflow) from operating activities</b>	<b>(694)</b>

### 15. Related Party Transactions

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

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

HFMA charges a percentage of its staff and overhead costs to HFMA Ltd based on the proportion of staff and management activity committed to the Company. The amount recharged in the year was £1,139,000 (2021/22 £1,024,000).

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

HFMA charges a percentage of its staff and overhead costs to HCS Ltd based on the proportion of staff and management activity committed to the Company. The amount recharged in the year was £nil (2021/22 £nil).

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

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

### 16. Subsidiaries

#### a) HFMA LTD

The principal activities of the company are providing marketing services, arranging sponsorship and advertising, running a conference centre and running general and tailored events for the healthcare community. The Financial Statements of HFMA Ltd for the year to 30 June 2023, as consolidated into the accounts for HFMA, were:

**Notes forming part of the Financial Statements (continued)**  
**For the year ended 30 June 2023**

**16. Subsidiaries (continued)**

**PROFIT AND LOSS ACCOUNT**

<b>Year to 30 June 2022 £'000</b>		<b>Year to 30 June 2023 £'000</b>
4,191	Turnover	5,135
(1,067)	Cost of sales	(1,513)
<b>3,124</b>	<b>Gross profit</b>	<b>3,622</b>
60	Interest received	33
<b>3,184</b>		<b>3,655</b>
(1,144)	Administration	(1,697)
(1,024)	Association recharge	(1,139)
<b>1,016</b>	<b>Net result</b>	<b>819</b>

**BALANCE SHEET**

<b>As at 30 June 2022 £'000</b>		<b>As at 30 June 2023 £'000</b>
44	Fixed assets	203
5,516	Current assets	5,808
(4,178)	Creditors: Amounts falling due within one year	(4,845)
1,382	Total assets less current liabilities	1,166
(1,382)	Creditors: Amounts falling due after more than one year	(1,166)
<b>-</b>	<b>Net assets</b>	<b>-</b>

The turnover in HFMA Limited totalled £5,135,000 (2022 £4,191,000) for the year of which £106,000 (2022 £46,000) related to activities performed for HFMA which is removed on consolidation. Therefore, in the consolidated accounts turnover relating to HFMA Limited is shown as £5,029,000 (2022 £4,145,000).

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

The principal activity of the company was providing consultancy services to the healthcare industry. There was no trading in this subsidiary in the year to 30 June 2023 or 30 June 2022. The Financial Statements of HCS Ltd for the year to 30 June 2023, as consolidated into the accounts of HFMA had £nil net assets (30 June 2022 £nil).

**17. Statement of funds**

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

<b>Unrestricted funds</b>	<b>at 1 July 2022 £'000</b>	<b>Surplus/ (Deficit) £'000</b>	<b>Transfers £'000</b>	<b>Unrecognised gains/(losses) £'000</b>	<b>at 30 June 2023 £'000</b>
<b>General funds</b>					
Trading funds	-	819	(819)	-	-
General fund	3,580	(460)	819	33	3,972
<b>Designated funds</b>					
Branch fund	626	19	(1)	5	649
Bursary fund	38	-	1	-	39
<b>Consolidated</b>	<b>4,244</b>	<b>378</b>	<b>-</b>	<b>38</b>	<b>4,660</b>

The transfers between funds relate to the total Gift Aid to the Association Centre from the trading subsidiaries.

Notes forming part of the Financial Statements (continued)  
For the year ended 30 June 2023

18. Analysis of net assets between funds

**HFMA Group**  
**Analysis of net assets between funds**  
**as at 30 June 2023**

	<b>General fund</b>	<b>Branch fund</b>	<b>Bursary fund</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed and intangible assets	6,492	86	-	<b>6,578</b>
Cash at bank and in hand	2,852	13	39	<b>2,904</b>
Other current assets	2,900	1,401	-	<b>4,301</b>
Current liabilities	(7,098)	(851)	-	<b>(7,949)</b>
Liabilities due after more than 1 year	(1,174)	-	-	<b>(1,174)</b>
	<b>3,972</b>	<b>649</b>	<b>39</b>	<b>4,660</b>

**Analysis of net assets between funds**  
**as at 30 June 2022**

	<b>General fund</b>	<b>Branch fund</b>	<b>Bursary fund</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed and intangible assets	6,180	81	-	<b>6,261</b>
Cash at bank and in hand	3,918	13	38	<b>3,969</b>
Other current assets	929	1,025	-	<b>1,954</b>
Current liabilities	(6,053)	(493)	-	<b>(6,546)</b>
Liabilities due after more than 1 year	(1,394)	-	-	<b>(1,394)</b>
	<b>3,580</b>	<b>626</b>	<b>38</b>	<b>4,244</b>

**HFMA Company**  
**Analysis of net assets between funds**  
**as at 30 June 2023**

	<b>General fund</b>	<b>Branch fund</b>	<b>Bursary fund</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed and intangible assets	6,289	86	-	<b>6,375</b>
Cash at bank and in hand	1,415	13	39	<b>1,467</b>
Other current assets	513	1,401	-	<b>1,914</b>
Current liabilities	(4,237)	(851)	-	<b>(5,088)</b>
Liabilities due after more than 1 year	(8)	-	-	<b>(8)</b>
	<b>3,972</b>	<b>649</b>	<b>39</b>	<b>4,660</b>

## Notes forming part of the Financial Statements (continued) For the year ended 30 June 2023

### Analysis of net assets between funds as at 30 June 2022

	<b>General fund £'000</b>	<b>Branch fund £'000</b>	<b>Bursary fund £'000</b>	<b>Total funds £'000</b>
Fixed and intangible assets	6,136	81	-	<b>6,217</b>
Cash at bank and in hand	928	13	38	<b>979</b>
Other current assets	(280)	1,025	-	<b>745</b>
Current liabilities	(3,192)	(493)	-	<b>(3,685)</b>
Liabilities due after more than 1 year	(12)	-	-	<b>(12)</b>
	<b>3,580</b>	<b>626</b>	<b>38</b>	<b>4,244</b>

## 19. Capital commitments

At 30 June 2023, there were £71,000 (2022 £242,000) capital commitments for activities contracted for but not provided in the financial statements.

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2023

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

#### Opinion

We have audited the financial statements of Healthcare Financial Management Association (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 June 2023 which comprise Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Statements of Financial Position, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2023; and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### Basis for opinion

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

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the

UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the directors' report and the strategic report, prepared for the

## INDEPENDENT AUDITOR'S REPORT (continued)

purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report and the strategic report, included within the trustees' annual report, have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report, included within the trustees' annual report.

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

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

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 8 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to

cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent

## INDEPENDENT AUDITOR'S REPORT (continued)

charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from external advisors.

The group audit engagement team identified the risk of management override of controls and the existence and valuation of certain revenue streams as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and performing substantive test of details over a sample of income transactions.

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

### Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable

company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Kerry Gallagher*

KERRY GALLAGHER (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Second Floor  
1 The Square  
Temple Quay  
Bristol  
BS 1 6DG

Date 08/11/23

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

**HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION**

England & Wales - Charity number 1114463

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# Accounts

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Company Number 5787972

# HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION

Trustees' Report and Financial Statements

For the year ending 30 June 2022

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Report 2021 – 2022

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# SENIOR EXECUTIVES AND BOARD OF TRUSTEES

## Board of Trustees and Directors

### PRESIDENT

2021/22: Owen Harkin  
2020/21: Caroline Clarke  
2019/20: Caroline Clarke

### VICE PRESIDENTS

2021/22: Lee Bond  
2021/22: Claire Wilson  
2020/21: Owen Harkin  
2020/21: Lee Bond  
2019/20: Owen Harkin  
2019/20: Lee Bond

### IMMEDIATE PAST PRESIDENT

2021/22: Caroline Clarke  
2020/21: Caroline Clarke  
2018/19: Bill Gregory

### CHAIR OF AUDIT AND FINANCE COMMITTEE

Simon Crowther

### NON-OFFICER TRUSTEES AND DIRECTORS

Sanjay Agrawal  
David Chandler  
Simon Crowther  
Sandra Easton (resigned 9 December 2021)  
Maureen Edwards  
Alex Gild  
Kavita Gnanaolivu  
Bill Gregory  
Kim Li  
Richard McCallum (appointed 9 December 2021)  
Elizabeth O'Mahony (resigned 27 January 2022)  
Lee Outhwaite  
Peter Ridley (appointed 9 December 2021)  
James Rimmer (resigned 9 December 2021)  
Dawn Scrafield (appointed 9 December 2021)

## Registered Charity Name and Registered Office

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

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

## HFMA Senior Executive Team

### CHIEF EXECUTIVE / SECRETARY

Mark Knight

### DEPUTY CHIEF EXECUTIVE & DIRECTOR OF FINANCE

Ian Turner

### DIRECTOR OF POLICY AND RESEARCH

Emma Knowles

## Advisors

### BANKER

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

### SOLICITOR

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

### AUDITOR

RSM UK Audit LLP Chartered Accountants  
Second Floor, 1 The Square, Temple Quay, Bristol, BS1 6DG

# REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE FOR THE YEAR ENDED 30 JUNE 2022

## President's and Chief Executive's Report

The business plan for the year to 30 June 2022 was developed to achieve a year of consolidation following the reset required in the previous financial year as a result of the impact of the pandemic.

Listening to our members, it was clear the focus for the year should be one of maintaining and, where possible, increasing the volume of activities provided by the association to support the membership. At the same time, it was important to ensure the organisation was financially sustainable by making a small surplus to bring reserves further closer to the level they were pre-pandemic.

We are delighted to be able to say that both objectives were achieved. The volume of activity and support to members was greater than ever. Financially, the statutory accounts show a surplus of £290k for the year to 30 June 2022, bringing reserves up to a level of £4,244k.

We also reached a major milestone for the association in the year by purchasing a property in Bristol – HFMA House, 4 Broad Plain. It has been a long-standing objective to be able to move the head office in Bristol from rented accommodation into owned premises. In early 2022, this was achieved following the purchase and then sympathetic refurbishment of the grade 2 listed Georgian premises.

Another initiative this year was the offering of free HFMA memberships for apprentices and those working in agenda for change bands 2-6. It has been well received.

When we develop our business plan, we set key performance indicators in addition to finances, which we measure ourselves against each year. These show that, as at 30 June 2022, we had reached a record 20,653 members and supported them and others with for example: 335,131 hours of continuing professional development and the production of 53 policy briefings and publications. We also had an average of just over 100 students studying for our qualifications over the year.

We ask attendees and users of all our activities to give feedback. Over the last year we achieved an amazing 96% good or excellent on events and 94% from everyone undertaking our bitesize e-learning. We are very proud of this feedback.

During the year to 30 June 2022, we also continued to host, work alongside and support One NHS Finance with the delivery of its programme of work in England. This encompasses Future-Focused Finance, the National Finance Academy and the Finance Innovation Forum. We are proud to be a part of this exciting and developing set of programmes.

We also look to support other associations working alongside colleagues in the NHS. During the year we were proud and happy to start hosting the Healthcare Project and Change Management Association (HPCA). They have

exciting plans to develop support for their members, which we are delighted to assist with.

With support from members, the association was also able to significantly increase the public benefit of its activities as evidenced by the levels of social media traffic and downloads of material over the last year. The overhaul and online relaunch of the *HFMA introductory guide to NHS finance* – which is available free of charge on the HFMA website – is one example of the public benefit provided during the year.

Our theme for the year fittingly has been *Reimagining the future*. This has been received well by our members and played well into HFMA's next steps which were developed during the year as we worked on developing our new strategy for the three years to 30 June 2025 – *Picking up the pace*. This was launched in September.

The strategy re-emphasised the values of the association, which can be summarised as high-quality, fair, member-focused and accessible. It also set out the five strategic lenses through which its services will be developed. In pursuing our objectives, the association will ensure it: considers **equality, diversity and inclusion**; aligns its structures and services to reflect the **integration** agenda; **member services are personalised** through the use of digitalisation; supports and provides services that complement the **One NHS Finance** initiative; and considers **environmental sustainability** with all its activities.

The strategy also sets out the four overarching objectives that the association will be working to deliver over the three years to 30 June 2025. They are to:

- provide excellent member networks and services
- continue to be the influential voice of healthcare finance, facilitating change through leading-edge policy and technical work
- create relevant and accessible development and qualification opportunities
- manage ourselves effectively as a business.

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

At HFMA we will continue to work hard to support our members as the NHS settles into the integrated structures. These have been in place for some time in the devolved nations, but are new to England. And there is still much to do to deliver real integrated care that delivers the best possible care for patients. We will also continue to work hard to help ensure that we keep the best of what we've learnt over the last two years.

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



Owen Harkin  
president



Mark Knight  
chief executive

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022

## Trustees' Report

### OBJECTS AND AIMS

#### THE OBJECTS AND AIMS OF HFMA

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

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

### STRATEGIC REPORT

#### ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

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

**To provide excellent members networks and services:** The number of individual members of HFMA at the end of the year totalled 20,653 (2020/21: 17,396).

We were very pleased that our investments over the years in IT and digital mechanisms, such as Microsoft Teams, e-learning, webinars, social media and the website have allowed us to continue delivering member benefits and indeed a wider public benefit to all in the NHS over the last year.

Our website had 193,961 visits over the year, we had 4,539 twitter followers and 8,169 LinkedIn members.

Our organisation facing offerings continue to be very popular and the first year of them relaunched into the new "Hub network" has proved a great success. Virtually every NHS organisation is now a Hub member.

We also ensure all our membership offerings were focussed to support the new place-based structures in place for our members organisations.

**To become the voice of healthcare finance through the development of leading edge policy and technical work:** There have been considerable developments in policy and technical work during the year and we have built on the many new activities that were initiated last year when the impact of Covid-19 was first felt.

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

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

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

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

We continued developing our library of books, reports and briefings, producing 53 briefings and publications in the year.

**To create relevant and affordable development and qualification opportunities:** The year saw a relaunch of HFMA's Qualifications; the HFMA Diploma (DHBF) and Higher Diploma in Healthcare and Business Finance (HDHBF) incorporating the Diploma in Advanced Practice Management (DAPCM).

During the year to 30 June 2022 we had an average of 101 students studying for the DHBF, HDHBF and DAPCM qualification.

The Association continues to be the place most NHS finance staff go to satisfy their CPD requirements. Total CPD hours delivered in the year reached 335,131. This continues one of the key statistics that demonstrates the continuing interest our membership and the wider finance community in health has for HFMA's training; be it events, webinars, qualifications or e-learning. Just as importantly HFMA targets a 90% excellent/good score from user feedback. Over the year to 30 June 2022 the average over all events was 96% a statistic we are very proud of.

Over the year we started to run face to face events again but also continued to use the virtual platforms we put in place during the pandemic. We have been constantly talking to our members to get the mix right. The most events popular include our National Annual conference in December and our Pre-Accounts Planning event in February, which was well-attended

Our e-learning "bitesize" modules have proved very sought after by the NHS finance function over the year last year. Part of the offering now includes some modules that have been uploaded onto the NHS ESR system allowing nearly all employees in the NHS to access them free of charge. At the time of writing some 45,000 downloads had taken place.

Once again, we are very proud to report that the target of achieving over 90% of users scoring each module excellent or good was achieved at 94%.

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022

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

During the year we worked closely with the NHS finance function and ONF in setting up the Regional Finance Academies. These incorporate all training and development activities in each region. These incorporate the Skills Development Networks (SDN's) and Finance and Management Training Schemes (FMTS). The FMTS scheme now also incorporate apprenticeship schemes. HFMA continues to run many of these networks and schemes across the country

**Managing ourselves effectively as a business:** This is the fourth and final objective and covers the enabling functions of the business.

The financial element of this objective is covered separately below.

The most exciting development of the year has been moving into the new owned premises in Bristol, HFMA House, 4 Broad Plain. The grade 2 listed Georgian building was purchased in April 2021 and was then refurbished. We moved in during early 2022. It has been a long-standing objective for HFMA to own the premises that house the head office function. This has now been achieved.

The move into HFMA House also allowed the base IT systems to be overhauled and we are now in a position where almost all systems are cloud based and each member of staff is fully mobile and has an up-to-date laptop.

The Human Resources function has been very busy over the year. Moving into HFMA House has coincided with new working practices being put into place so that all staff are now able to work from home or from the office. This has been a great step forward and has allowed the positives from the pandemic being fully integrated into the teams way of working.

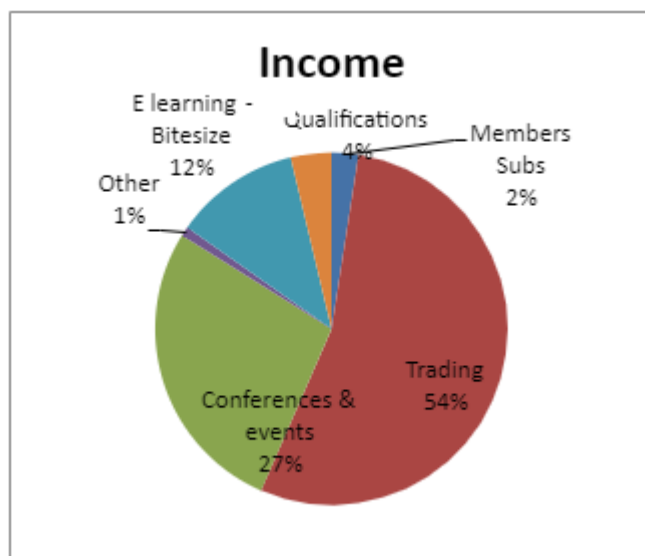
## FINANCIAL REVIEW

Despite coping with the continuing challenges that the move out of the pandemic, Brexit and the war in the Ukraine has brought to HFMA the result for the year is a surplus of £290k (2020/21 a surplus of £348k, 2019/20 a deficit of £779k).

This means reserves are now at £4,244k which means we are slowly getting back to the level reserves were pre-pandemic.

The total income of the Charity for 2021/22 was £7,170k (£5,453k in 2020/21).

The increase in income reflects in the main the move back to more face-to-face events and notably the National Annual Conference held in December 2021. It does also show the increase in activity year-on-year across HFMA other than the conference centre, 110 Rochester Row, which is still running below pre-pandemic levels.



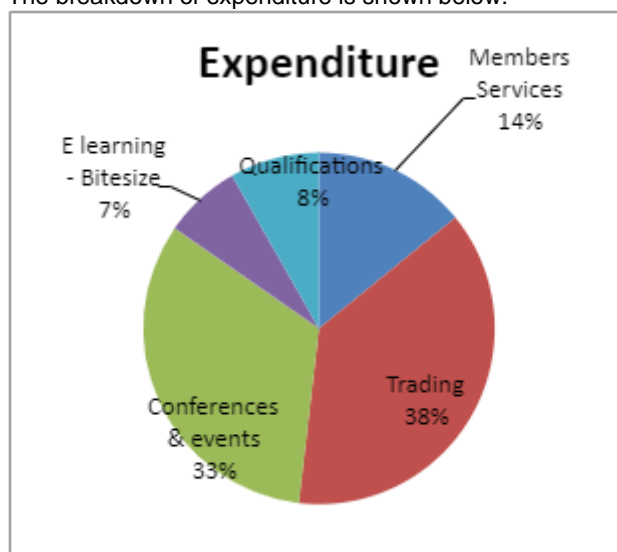
Conferences and training events income in 2021/22 totalled £1,961k (£1,118k in 2020/21). Which reflects the National Annual Conference running as a face-to-face event whereas it was a virtual event the previous year.

E-learning (Bitesize) income totalled £826k in 2021/22, (£725k in 2020/21) the increase reflecting an increasing interest in the products in a world where face to face training is still considered less attractive.

Qualifications income totalled £267k in 2021/22 (£332k in 2020/21) a slight decrease year-on-year reflecting less development income rather than a reduction in students.

The income from the trading subsidiary HFMA Ltd is considerably above the previous year at £3,878k for 2021/22 (£2,922k in 2020/21). This is as a result of more activities taking place than in the previous year and sponsorship income starting to get back to pre-pandemic levels.

The breakdown of expenditure is shown below:



# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022

By far the greatest activity in terms of income, other than the trading activities in the subsidiary companies noted above, is conferences and events. Expenditure totalled £2,216k in 2021/22 (£1,207k in 2020/21). The increase reflects the fact that costs of running face to face events are considerably higher than the costs of running virtual events. It is also the case that conferences and events run at a planned loss.

Members subscriptions totalled £174k in 2021/22 (£181k in 2020/21). The costs of member services a little above the previous year at £955k in 2021/22 (£947k in 2020/21). It is congruent with the objects and aims of the charity and the Charity Commission's guidance on Public Benefit, that subscriptions paid by members cover only a small percentage of the costs of providing member services with the surpluses achieved in the trading operations of HFMA subsidising the balance of the costs. The trading surpluses are also used to subsidise conferences and events which also run at a planned loss as noted above.

The costs of e-learning, Bitesize, packages are roughly the same year-on-year at £480k in 2021/22 (£479k in 2020/21). With income up the result is an increased contribution at £346k in 2021/22 (£247k in 2020/21).

It should be noted that the surplus in the trading subsidiary HFMA Ltd of £1,016k (£460k in 2019/20). This is an excellent result and is as a result of good levels of commercial activity despite a challenging year for the conference centre, 110 Rochester Row. This surplus is passed by gift aid to HFMA and was used by the charity to subsidise the cost of activities and services provided to the members of HFMA as noted above

The financial statements have been prepared in accordance with relevant law and current accounting conventions and in particular the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)).

## PUBLIC BENEFIT

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

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

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

The 100% owned trading subsidiary HFMA Ltd operates commercial activities to support the work of HFMA. The

results are shown in Note 16 to the Accounts.

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

The activities and achievements of the charity in the year to 30 June 2022 are detailed in the President and Chief Executive's report with commentary as to how the objectives set were met. These achievements demonstrate how successful HFMA has been in fulfilling its objectives and providing a Public Benefit.

## FUTURE PLANS

As noted in the President and Chief Executive's report the new strategy for the three years to 30 June 2025 was launched in September 2022.

The business plan for the first year of this strategy for the year to 30 June 2023 has been produced.

The plans for the year ahead for each main objective in the strategy and business plan for the year are detailed below:

- **To provide excellent member networks and services:** it is important that HFMA not only maintains the current quality of services but also develops them to support our members and the wider NHS at a time of ever-growing financial pressure. In terms of membership, our clear strategy will be to maintain our existing level of membership in the year ahead. We are also working closely with the other main supporters of finance professionals in the NHS on the ONF initiative.
- **To continue to be the influential voice of healthcare finance, facilitating change through leading edge policy and technical work:** HFMA provides material that is relevant and timely for members and those in healthcare and particularly the NHS who are interested in NHS Finance. It is planned to keep up with demand for specific publications and training packages during the following year. A clear focus will be to support the NHS and the wider community in their understanding of the impact of Covid-19 and the overall NHS move towards more place-based structures. We aim to ensure our outputs provide the best support to our members and the organisations they work for. We will continue to work closely with the NHS leadership teams in developing and influencing policy and we will be continuing to foster relationships with other organisations, such as the accounting bodies, medical colleges and organisations as well as working closely with the new ICB's in the new NHS world.
- **To create relevant and accessible development and qualification opportunities;** the full conference and seminar programme, locally at branches and nationally, will be followed and the balance between delivery as face to face and virtually will be constantly monitored and advice taken from members. Extending our work assisting the new Regional Academies incorporating local SDN and FMST groups will also continue to be a focus for 2021/22. Each branch will run a minimum of

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022

four events of which at least one will be fee free. We will also be looking to further develop our faculty programme. The HFMA Diploma and Higher Diploma has been relaunched and so this a year of focus for the qualifications. We will further develop our e-learning Bitesize products and programmes. Our usual programme of updating existing modules will also take place to ensure that the training we deliver is up to date and of the highest quality. We will also be looking to keep the programme of refreshing and improving the website and mobile app in the year ahead.

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

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

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

## RESERVES AND GOING CONCERN

HFMA's total reserves which have been built up slowly over many years were severely reduced in the year to 30 June 2020 by £779k as a direct result of lost revenue due to the impact of Covid-19. The results for the year to 30 June 2021 of £348k and for the year to 30 June 2022 has gone some way to rebuilding the Reserves of the Charity which now stand at £4,244k (2019/20 £3,954k).

All reserves are held in funds whose use is at the discretion of the Trustees as long as they are used as laid out in the objects and aims of the charity. The reserves policy below is set by the Trustees.

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

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

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

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

The financial strategy over the coming years will be to build this fund back up to the levels set before the impact of Covid-19. This will be achieved through re-building revenues where and keeping a close control over the cost base.

The Trustees consider it is appropriate to treat the Charity as a going concern.

This is due to the Trustees and Senior Management team having a clear understanding of the risks facing the organisation and robust cash management plans.

The largest uncertainty facing the Charity is the ability to run events at the Conference Centre in London, 110 Rochester Row. However, stress testing the budget and resulting cash flow forecasts for this risk, alongside considering other downside risks, shows that HFMA has cash reserves available for the period to 30 June 2024.

To assist with cash requirements during the pandemic a Coronavirus Business Interruption Loan of £850k was received in February 2021. This was repaid in full February 2022.

It is also worth noting that if needed HFMA has fixed assets investments which could be sold if further cash was required. The value of these investments at 30 June 2022 was £1,906k.

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

## TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

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

- select suitable accounting policies and apply them consistently.

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022

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

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

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

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

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

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

## INVESTMENT POLICY

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

- A certain level of investments will be in cash and similar investments, the key criteria being that they are

accessible at short notice. Every effort will be made to maximise interest whilst following these criteria.

- Other investments will be in assets that do not need to be sold quickly. An overall investment strategy will be adopted with consideration of investing in such assets as equities and properties.

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

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

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

## CONSTITUTION AND GOVERNANCE

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

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

During 2020/21, the Board of Trustees comprised the National President, two Vice-Presidents, Past Chair and Chair of the Audit and Finance Committee, who are nominated by the membership as a whole, and a representative from each of the three devolved nations who are elected by their branches and seven Trustees who are appointed by Board of Trustees. All the Trustees are directors of HFMA.

During the year the Board usually meets formally four times. When appropriate or necessary additional Board meetings are called. These meetings along with briefing papers for the Board ensured the Trustees were fully briefed on the risks and actions being taken and fully involved in decision making over this period.

Over the year, in addition to regular Board meetings, the Audit and Finance Committee and the Appointments and Remuneration Committee met four times. These two committees have delegated powers and responsibilities that are documented and approved by the Board.

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022

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

The day to day running of HFMA is delegated by the Board to the CEO and Senior Management Team. Senior Management Team meetings take place monthly.

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

The 13 branches have their own volunteer branch executives usually comprising a Branch Chair, a Branch Treasurer and a Branch Secretary.

The year to 30 June 2020 was the last year of the 2017-20 strategy. Due to the impact of Covid-19 it was determined that the years to 30 June 2021 and 30 June 2022 would be years where the focus would be on survival and reset. The next three-year strategy has been developed and was launched in September 2022 and covers the three years from 1 July 2022 to 30 June 2026.

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

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

is considered by the Trustees each year and amended to reflect changes required to allow the smooth running of HFMA.

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

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

## RISK MANAGEMENT

The Association regards the management of risk as a key issue within its overall operating framework. A risk register

is maintained and is considered regularly throughout the year by management, by the Audit and Finance Committee at each of its four meetings during the year and is annually presented and reviewed by the Board of Trustees.

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

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

In the last quarter of the year to 30 June 2020 HFMA pivoted the operations of the organisation to manage the impact of Covid-19. The management of this risk led to all HFMA's staff moving to working from home, all face to face events were cancelled or moved to being run as virtual events and the conference centre 110 Rochester Row was closed.

The Business Continuity planning ensured that the impact of Covid-19 was managed and HFMA was able to start the year from 1 July 2020 having fully pivoted the business model. This included mitigations around cost being put in place to bring the expenditure of the Charity down to match a prudent estimate of income going forward from 1 July 2020.

Although these mitigations give the Board comfort that the risk around the impact of Covid-19 is being managed appropriately, the risk of further negative impacts on income still exists notably at 110 Rochester Row and so this is still seen as the major risk that the Charity needs to manage at the time of writing this report.

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

## SERVICES PROVIDED BY OTHER BODIES

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

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

## BRANCHES

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

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022

## AUDITOR

A resolution proposing that RSM UK Audit LLP be reappointed as statutory auditor of the Charity will be put to the Annual General Meeting on 8 December 2022.

The Trustees Report and the Strategic Report contained within it were approved by the Board on 15 November 2022 and signed on its behalf by;



Simon Crowther

Trustee and Chair of the Audit Committee.



# FINANCIALS – Balance Sheets

## Consolidated and charity statements of financial position as at 30 June 2022

30 June 2021			30 June 2022		
Association £'000	Consolidation £'000		Notes	Association £'000	Consolidation £'000
		<b>Fixed assets</b>			
3,875	3,943	Tangible assets	7a	4,276	4,320
141	144	Intangible assets	7b	35	35
2,233	2,233	Investments	7c	1,906	1,906
<b>6,249</b>	<b>6,320</b>	<b>Total fixed assets</b>		<b>6,217</b>	<b>6,261</b>
		<b>Current assets</b>			
1	3	Stocks		-	2
934	2,036	Debtors	8	745	1,952
953	1,652	Cash at bank and in hand	9	979	3,969
<b>1,888</b>	<b>3,691</b>	<b>Total current assets</b>		<b>1,724</b>	<b>5,923</b>
(4,169)	(5,687)	Creditors: Amounts falling due within one year	10	(3,685)	(6,546)
<b>(2,281)</b>	<b>(1,996)</b>	<b>Net current liabilities</b>		<b>(1,961)</b>	<b>(623)</b>
		<b>Total assets less current liabilities</b>			
(14)	(370)	Creditors: Amounts falling due after more than one year	11	(12)	(1,394)
<b>3,954</b>	<b>3,954</b>	<b>Net assets</b>		<b>4,244</b>	<b>4,244</b>
		<b>Unrestricted funds</b>			
3,278	3,278	General fund		3,580	3,580
		<b>Designated funds</b>			
638	638	Branch fund		626	626
38	38	Bursary fund		38	38
<b>3,954</b>	<b>3,954</b>	<b>Total unrestricted funds</b>	17	<b>4,244</b>	<b>4,244</b>

The notes on pages 14 to 27 form part of these accounts.

The accounts were approved by the Board of Trustees on



Owen Harkin, President

# FINANCIALS – Statement of Cash Flows

## Consolidated Statement of Cash Flows for the year ended 30 June 2022

2020-21 £'000		Notes	2021-22 £'000
30	Net cash inflow/(outflow) from operating activities	14	3,375
	<b>Cash flows from investing activities</b>		
66	Dividends received		56
(670)	Purchase of tangible fixed assets		(464)
850	Loans received(paid)		(850)
300	Sale of investments		200
<b>546</b>	<b>Total inflow/(outflow) from investing activities</b>		<b>(1,058)</b>
<b>576</b>	<b>Increase/(Decrease) in cash</b>		<b>2,317</b>

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

## Reconciliation of net cash flow to movement in cash

2020-21 £'000		2021-22 £'000
1,076	Cash at 1 July 2021	1,652
<b>576</b>	<b>Increase/(Decrease) in cash in the year</b>	<b>2,317</b>
<b>1,652</b>	<b>Cash at 30 June 2022</b>	<b>3,969</b>

## Analysis of changes in net debt

	As at 30 June 2021 £'000	Cash flows £'000	As at 30 June 2022 £'000
<b>Cash and cash equivalents</b>			
Cash	1,652	2,317	3,969
<b>Borrowings</b>			
Debt due within one year	(850)	850	-
<b>Total</b>	<b>802</b>	<b>3,167</b>	<b>3,969</b>

	As at 30 June 2020 £'000	Cash flows £'000	As at 30 June 2021 £'000
<b>Cash and cash equivalents</b>			
Cash	1,076	576	1,652
<b>Borrowings</b>			
Debt due within one year	-	(850)	(850)
<b>Total</b>	<b>1,076</b>	<b>(274)</b>	<b>802</b>

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2022

### 1. Accounting Policies

#### a) GENERAL INFORMATION

HFMA is a limited company and charity incorporated in England and Wales. It is also a Charity in Scotland. The address of HFMA's registered office is 110 Rochester Row, Victoria, London, SW1P 1JP. The principal places of business of HFMA are 110 Rochester Row, Victoria, London, SW1P 1JP and HFMA House, 4 Broad Plain, Bristol, BS2 0JB.

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

#### b) BASIS OF PREPARATION

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

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

#### c) GOING CONCERN

The accounts have been produced on the basis that the charity is a going concern. This is as a result of the trustees having a clear understanding of the risks facing the organisation and the existence of robust cash management plans. The Charity also has budgets and resulting cash flows which have been stress tested for the year ahead which support this view.

The largest uncertainty facing the Charity is the ability to run events at the Conference Centre in London, 110 Rochester Row. However, stress testing the budget and resulting cash flow forecasts for this risk, alongside considering other downside risks, shows that HFMA has cash reserves available at least through to 30 June 2024.

After taking into account the stress testing, there is still headroom over the period to 30 June 2023. If an unforeseen risk occurs or the risks considered in the stress testing are of a larger quantum than considered, HFMA has the ability to sell some or all of its fixed assets investments if further cash was required. The value of these investments at 30 June 2022 was £1,906k. It is worth noting that these investments if realised and turned into cash would turn the net current liabilities position of the Charity into a net current assets position at 30 June 2022. It is also worth noting that included in current liabilities in the balance sheet is £3,393k of deferred income, which if added back would also turn the net current liabilities position into a net current assets position.

#### d) REDUCED DISCLOSURES

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

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

#### e) FUNCTIONAL AND PRESENTATIONAL CURRENCY

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

#### f) FINANCIAL INSTRUMENTS

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

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2022

### 1. Accounting Policies (continued)

#### f) FINANCIAL INSTRUMENTS (continued)

##### Financial assets

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

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

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

##### Financial liabilities

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

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

#### g) GROUP FINANCIAL STATEMENTS

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

#### h) INCOME

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

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

#### i) VOLUNTEERS

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

#### j) EXPENDITURE

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

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2022

### 1. Accounting Policies (continued)

#### j) EXPENDITURE (continued)

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

#### k) LEASED BUILDINGS AND EQUIPMENT

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

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

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

#### l) TANGIBLE FIXED ASSETS

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

Depreciation on these assets is calculated as follows:

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

#### m) INTANGIBLE FIXED ASSETS

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

#### n) INVESTMENTS

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

#### o) STOCK

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

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2022

### 1. Accounting Policies (continued)

#### p) FUNDS STRUCTURE

All funds are unrestricted income funds. These are split into undesignated (the General and Branches funds) and designated funds (the Bursary and Deep Reserve funds). The General and Branches funds should be built up to at least six months' worth of total annual costs of HFMA to cover short-term falling off in demand for the services offered. The Bursary fund is to support those with low incomes accessing the services of HFMA or assisting members in activities that benefit healthcare in the UK that they would not be able to perform without support.

#### q) PENSIONS

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

- All employees are automatically enrolled into a defined contribution scheme whereby the Association contributes 5% (increased to 6% from 1 July 2022) of the employee's salary and the employee contributes a minimum of 3%. Employees can opt out of this scheme if they wish. These funds are the property of the individual employees.
- All employees can choose to enrol into a further Group defined contribution scheme whereby the Association contributes 10% (increased to 11% from 1 July 2022) of the employee's salary and the employee contributes a minimum of 6%. These funds are the property of the individual employees.

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

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

#### r) FOREIGN CURRENCIES

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

#### s) PROVISIONS

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

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

#### t) SIGNIFICANT JUDGEMENT AND ESTIMATES

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

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

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

### For the year ended 30 June 2022

## 2. Income

### a) INCOME FROM RAISING FUNDS

#### VOLUNTARY INCOME

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

2020-21			2021-22	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
181	181	Subscriptions	171	171
99	99	Grants and Donations (CJRS payments)	3	3
<b>280</b>	<b>280</b>		<b>174</b>	<b>174</b>

#### ACTIVITIES FOR GENERATING FUNDS

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

#### INVESTMENT INCOME AND INTEREST RECEIVED

2020-21			2021-22	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
38	66	Investment Income	(5)	56
159	-	Rental income	159	-
<b>197</b>	<b>66</b>		<b>154</b>	<b>56</b>

### b) INCOME FROM CHARITABLE ACTIVITIES

#### CONFERENCES AND SEMINARS

2020-21			2021-22	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
1,047	1,047	National and regional events	1,691	1,691
71	71	Branch events	270	270
<b>1,118</b>	<b>1,118</b>		<b>1,961</b>	<b>1,961</b>

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2022

### 3. Expenditure

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

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

COST ANALYSIS 2021-22	Direct Costs	Support Costs	TOTAL	TOTAL
	2021-22	2021-22	2021-22	2020-21
	£'000	£'000	£'000	£'000
<b>Generating Voluntary Income</b>	-	159	159	133
<b>Conferences and Seminars</b>	1,643	573	2,216	1,207
<b>E-learning</b>	23	457	480	479
<b>Member Services including publications and magazine</b>	36	760	796	814
<b>Qualification</b>	422	134	556	485
<b>Total Association</b>	<b>2,124</b>	<b>2,083</b>	<b>4,207</b>	<b>3,118</b>
<b>HFMA Ltd</b>	1,788	758	2,546	2,293
<b>Consolidated</b>	<b>3,912</b>	<b>2,841</b>	<b>6,753</b>	<b>5,411</b>

#### a) COSTS OF GENERATING FUNDS

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

#### b) COSTS OF CHARITABLE ACTIVITIES

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

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

2020-21			2021-22	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
110	110	Branch events	404	404
1,187	1,097	Centre events	1,812	1,812
<b>1,297</b>	<b>1,207</b>		<b>2,216</b>	<b>2,216</b>

### 4. Audit Fees

The total external audit fees were:

2020-21			2021-22	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
16	16	Charity	18	18
-	4	HFMA Ltd	-	4
<b>20</b>	<b>20</b>		<b>18</b>	<b>22</b>
-	3	Other services supplied by affiliates of RSM UK Audit LLP	-	3

## Notes forming part of the Financial Statements (continued) For the year ended 30 June 2022

### 5. Staff Costs and Trustees' Remuneration

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

#### a) STAFF COSTS

<b>2020-21</b>		<b>2021-22</b>
<b>£'000</b>		<b>£'000</b>
2,503	Staff salaries	2,700
273	Employers NI costs	289
350	Pension costs	315
89	Sundry (including Childcare Vouchers and Staff Training)	115
<b>3,216</b>		<b>3,420</b>

Staff costs are allocated according to the functions of each staff member: £1,603k (2020/21 £1,540k) is included in direct costs, £1,679k (2020/21 £1,676k) in support costs together they form part of trading costs, fundraising costs, and charitable expenditure, as appropriate (see note 3).

During the year redundancy costs of £nil (2020/21 £83k) were incurred and are included in the table above. The redundancy costs reflect amounts paid to re-align the Charity's staff structure to the group's future operating plan.

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

The average employee headcount throughout the year:

<b>2020-21</b>		<b>2021-22</b>
40	Operations/Technical	43
3	Qualification	4
7	Business Development	7
17	Administration	17
<b>67</b>		<b>71</b>

#### c) EMOLUMENTS

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

<b>2020-21</b>		<b>2021-22</b>
1	Band £60,000 - £70,000	5
1	Band £70,001 - £80,000	1
2	Band £80,001 - £90,000	2
1	Band £100,001 - £110,000	-
1	Band £110,001 - £120,000	1
1	Band £170,001 - £180,000	-
-	Band £180,001 - £190,000	1

#### d) KEY MANAGEMENT

The key management of HFMA during the year were the Chief Executive, Deputy Chief Executive & Director of Finance and the Director of Policy whose combined working weeks totalled to the equivalent of 2.8 full time equivalent (FTE) employees. Their employee benefits including remuneration, benefits in kind, employers pension costs and employers National Insurance total £478k for the year (2020/21 Chief Executive, Deputy Chief Executive & Director of Finance, Director of Policy & Research and Director of Education & Development, 3.3 FTE and total cost £526k).

#### e) PENSIONS

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

## Notes forming part of the Financial Statements (continued) For the year ended 30 June 2022

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

#### f) TRUSTEES

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

2020-21 £'000	Type of Expense	2021-22 £'000
-	- Subsistence	1
-	- Travel	3
-	- Accommodation	3
-	- Training	3
<u>-</u>		<u>10</u>

### 6. Property and Operating Lease Commitments

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

2020-21			2021-22	
Association £'000	Consolidation £'000		Association £'000	Consolidation £'000
19	19	One year or less	27	27
27	27	Two to five year	40	40
-	-	Over 5 years	-	-

Property and operating lease costs shown within the statements of financial activities within support costs were £5k (2020/21 £44k) for Association and £5k (2020/21 £44k) for the consolidated group.

### 7.a) Tangible Fixed Assets

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

	Freehold £'000	Long Leasehold £'000	Leasehold Improvements £'000	Equipment £'000	Total £'000
Cost as at 1 July 2021	670	2,030	1,456	490	4,646
Additions	434	-	-	31	465
Cost of assets written off	-	-	(111)	(65)	(176)
<b>Cost as at 30 June 2022</b>	<b>1,104</b>	<b>2,030</b>	<b>1,345</b>	<b>456</b>	<b>4,935</b>
Cumulative depreciation as at 1 July 2021	-	29	299	375	703
Depreciation charge for the year	11	-	28	49	88
Depreciation on assets written off	-	-	(111)	(65)	(176)
<b>Cumulative depreciation as at 30 June 2022</b>	<b>11</b>	<b>29</b>	<b>216</b>	<b>359</b>	<b>615</b>
Net book value as at 1 July 2021	670	2,001	1,157	115	3,943
<b>Net book value as at 30 June 2022</b>	<b>1,093</b>	<b>2,001</b>	<b>1,129</b>	<b>97</b>	<b>4,320</b>

Notes forming part of the Financial Statements (continued)  
For the year ended 30 June 2022

7. a) Tangible Fixed Assets (continued)

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

	Freehold	Long Leasehold	Leasehold Improvements	Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost as at 1 July 2021	670	2,030	1,445	293	4,438
Additions	434	-	-	30	464
Cost of assets written off	-	-	(101)	(19)	(120)
<b>Cost as at 30 June 2022</b>	<b>1,104</b>	<b>2,030</b>	<b>1,344</b>	<b>304</b>	<b>4,782</b>
Cumulative depreciation as at 1 July 2021	-	29	287	247	563
Depreciation charge for the year	11	-	27	25	63
Depreciation on assets written off	-	-	(101)	(19)	(120)
<b>Cumulative depreciation as at 30 June 2022</b>	<b>11</b>	<b>29</b>	<b>213</b>	<b>253</b>	<b>506</b>
Net book value as at 1 July 2021	670	2,001	1,158	46	3,875
<b>Net book value as at 30 June 2022</b>	<b>1,093</b>	<b>2,001</b>	<b>1,131</b>	<b>51</b>	<b>4,276</b>

7.b) Intangible Fixed Assets

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

	Intellectual Property	Software	Total
	£'000	£'000	£'000
Cost as at 1 July 2021	35	877	912
Additions	-	-	-
Cost of assets written off	(35)	(668)	(703)
<b>Cost as at 30 June 2022</b>	<b>-</b>	<b>209</b>	<b>209</b>
Cumulative amortisation as at 1 July 2021	35	733	768
Amortisation charge for the year	-	58	58
Amortisation of assets written off	(35)	(617)	(652)
<b>Cumulative amortisation as at 30 June 2022</b>	<b>-</b>	<b>174</b>	<b>174</b>
Net book value as at 1 July 2021	-	144	144
<b>Net book value as at 30 June 2022</b>	<b>-</b>	<b>35</b>	<b>35</b>

## Notes forming part of the Financial Statements (continued) For the year ended 30 June 2022

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

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

	Software £'000	Total £'000
Cost as at 1 July 2021	857	857
Additions	-	-
Cost of assets written off	(668)	(668)
<b>Cost as at 30 June 2022</b>	<b>189</b>	<b>189</b>
Cumulative amortisation as at 1 July 2021	717	717
Amortisation charge for the year	54	54
Amortisation of assets written off	(35)	(35)
<b>Cumulative amortisation as at 30 June 2022</b>	<b>154</b>	<b>154</b>
Net book value as at 1 July 2021	141	141
<b>Net book value as at 30 June 2022</b>	<b>35</b>	<b>35</b>

### 7. c) Investments

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

	Market Value as at 30 June 2021 £'000	Disposal £'000	Market value as at 30 June 2022 £'000	Loss in year £'000
CCLA Funds	1,252	100	1,091	61
Barclays Funds	981	100	815	66
<b>Total</b>	<b>2,233</b>	<b>200</b>	<b>1,906</b>	<b>127</b>

The loss in the year was split between £36k of realised gains on the disposals and an unrealised loss of £163k.

### 8. Debtors

as at 30 June 2021			as at 30 June 2022		
Association £'000	Consolidation £'000		Association £'000	Consolidation £'000	
744	1,858	General debtors	541	1,697	
6	-	Amounts due from group companies	26	-	
184	178	Prepayments & accrued income	178	255	
<b>934</b>	<b>2,036</b>		<b>745</b>	<b>1,952</b>	

### 9. Cash at bank and in hand

The bank and cash accounts held are as follows:

as at 30 June 2021			as at 30 June 2022		
Association £'000	Consolidation £'000		Association £'000	Consolidation £'000	
953	1,652	Current accounts	979	3,969	
<b>953</b>	<b>1,652</b>	Total cash balance	<b>979</b>	<b>3,969</b>	

**Notes forming part of the Financial Statements (continued)**  
**For the year ended 30 June 2022**

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

as at 30 June 2021			as at 30 June 2022		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
850	850	Bank loans (CBILs)	-	-	
274	571	Trade creditors	422	733	
1,144	-	Amounts due to group companies	1,249	-	
116	116	Social security creditors	89	89	
56	56	Pension creditors	30	30	
-	-	Other creditors	-	27	
340	466	Accruals	593	776	
1,389	3,628	Deferred income	1,302	4,891	
<b>4,169</b>	<b>5,687</b>		<b>3,685</b>	<b>6,546</b>	

The Coronavirus Business Interruption Loan (CBILs) had nil% interest payable, had security taken over 110 Rochester Row in London and was repaid on 9 February 2022.

Deferred income as at 30 June 2022 consists of the income for events and service delivery that takes place in the next financial year.

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

2020-21			2021-22		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
1,096	3,027	Deferred Income falling due within one year as at 1 July	1,389	3,628	
(1,096)	(3,027)	Released during year	(1,389)	(3,628)	
1,389	3,628	Additional Deferred Income for year	1,302	4,891	
<b>1,389</b>	<b>3,628</b>	Deferred Income falling due within one year carried forward as at 30 June	<b>1,302</b>	<b>4,891</b>	

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

as at 30 June 2021			as at 30 June 2022		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
14	370	Deferred Income	12	1,394	
<b>14</b>	<b>370</b>		<b>12</b>	<b>1,394</b>	

Deferred Income as at 30 June 2022 consists of the income for events and service delivery that takes place in more than one year.

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

2020-21			2021-22		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
2	521	Deferred Income falling due after more than one year as at 1 July	14	370	
(2)	(204)	Released during year	(14)	(370)	
14	53	Additional Deferred Income for year	12	1,394	
<b>14</b>	<b>370</b>	Deferred Income falling due after more than one year carried forward as at 30 June	<b>12</b>	<b>1,394</b>	

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2022

### 12. Financial Instruments

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

#### Financial assets

as at 30 June 2021			as at 30 June 2022	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
744	1,858	General debtors	541	1,697
6	-	Amounts due from group companies	26	-
179	170	Accrued income	144	149

### 13. Analysis of Net Assets of Branches

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

Net assets at 30th June 2021 £'000	Branch	Net assets at 30th June 2022 £'000
42	East Midlands	39
21	Eastern	25
45	Kent, Sussex and Surrey	37
24	London	25
36	North West	39
72	Northern	60
56	Northern Ireland	45
14	Scotland	19
96	South West	105
16	South Central	18
68	Wales	62
127	West Midlands	137
21	Yorkshire and Humber	15
<b>638</b>		<b>626</b>

The overall deficit for the branches for the year was £12k (2021 a deficit of £60k).

## Notes forming part of the Financial Statements (continued) For the year ended 30 June 2022

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

Year to 30th June 2021 £'000		Year to 30th June 2022 £'000
348	Net income/(expenditure) for the year:	290
207	Depreciation and amortisation	144
(49)	Realised loss/(gain) on sale of investment	(36)
(257)	Unrealised loss/(gain) on investment	163
-	Loss on assets written off	51
(66)	Interest and dividends receivable	(56)
183	EBITDA	556
-	(Increase)/decrease in stocks held	1
(185)	(Increase)/decrease in debtors	83
32	Increase/(decrease) in creditors	2,735
<b>30</b>	<b>Net cash inflow from operating activities</b>	<b>3,375</b>

### 15. Related Party Transactions

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

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

HFMA charges a percentage of its staff and overhead costs to HFMA Ltd based on the proportion of staff and management activity committed to the Company. The amount recharged in the year was £1,024k (2020/21 £964k).

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

HFMA charges a percentage of its staff and overhead costs to HCS Ltd based on the proportion of staff and management activity committed to the Company. The amount recharged in the year was £nil (2020/21 £nil).

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

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

### 16. Subsidiaries

#### a) HFMA LTD

The principal activities of the company are providing marketing services, arranging sponsorship and advertising, running a conference centre and running general and tailored events for the healthcare community. The Financial Statements of HFMA Ltd for the year to 30 June 2022, as consolidated into the accounts for HFMA, were:

**Notes forming part of the Financial Statements (continued)**  
**For the year ended 30 June 2022**

**16. Subsidiaries (continued)**

**PROFIT AND LOSS ACCOUNT**

<b>Year to 30 June 2021 £'000</b>		<b>Year to 30 June 2022 £'000</b>
3,344	Turnover	4,191
(940)	Cost of sales	(1,067)
<b>2,404</b>	<b>Gross profit</b>	<b>3,124</b>
27	Interest received	60
<b>2,431</b>		<b>3,184</b>
(1,007)	Administration	(1,144)
(964)	Association recharge	(1,024)
<b>460</b>	<b>Net result</b>	<b>1,016</b>

**BALANCE SHEET**

<b>As at 30 June 2021 £'000</b>		<b>As at 30 June 2022 £'000</b>
71	Fixed assets	44
2,996	Current assets	5,516
(2,712)	Creditors: Amounts falling due within one year	(4,178)
<b>355</b>	Total assets less current liabilities	<b>1,382</b>
(355)	Creditors: Amounts falling due after more than one year	(1,382)
<b>-</b>	<b>Net assets</b>	<b>-</b>

The turnover in HFMA Limited totalled £4,191k (2021 £3,344) for the year of which £46k (2021 £90k) related to activities performed for HFMA which is removed on consolidation. Therefore, in the consolidated accounts turnover relating to HFMA Limited is shown as £4,154k (2021 £3,254k).

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

The principal activity of the company was providing consultancy services to the healthcare industry. There was no trading in this subsidiary in the year to 30 June 2022 or 30 June 2021. The Financial Statements of HCS Ltd for the year to 30 June 2022, as consolidated into the accounts of HFMA had £nil net assets (30 June 2021 £nil).

**17. Statement of funds**

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

<b>Unrestricted funds</b>	<b>at 1 July 2021 £'000</b>	<b>Surplus/ (Deficit) £'000</b>	<b>Transfers £'000</b>	<b>Unrecognised gains/(losses) £'000</b>	<b>at 30 June 2022 £'000</b>
<b>General funds</b>					
Trading funds	-	1,016	(1,016)	-	-
General fund	3,278	(551)	1,016	(161)	3,580
<b>Designated funds</b>					
Branch fund	638	(12)	-	(2)	626
Bursary fund	38	-	-	-	38
<b>Consolidated</b>	<b>3,954</b>	<b>453</b>	<b>-</b>	<b>(163)</b>	<b>4,244</b>

The transfers between funds relate to the total Gift Aid to the Association Centre from the trading subsidiaries.

Notes forming part of the Financial Statements (continued)  
For the year ended 30 June 2022

18. Analysis of net assets between funds

**HFMA Group**  
**Analysis of net assets between funds**  
**as at 30 June 2022**

	<b>General fund</b>	<b>Branch fund</b>	<b>Bursary fund</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed and intangible assets	6,180	81	-	6,261
Cash at bank and in hand	3,918	13	38	3,969
Other current assets	929	1,025	-	1,954
Current liabilities	(6,053)	(493)	-	(6,546)
Liabilities due after more than 1 year	(1,394)	-	-	(1,394)
	<b>3,580</b>	<b>626</b>	<b>38</b>	<b>4,244</b>

**Analysis of net assets between funds**  
**as at 30 June 2021**

	<b>General fund</b>	<b>Branch fund</b>	<b>Bursary fund</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed and intangible assets	6,237	83	-	6,320
Cash at bank and in hand	1,601	13	38	1,652
Other current assets	1,107	932	-	2,039
Current liabilities	(5,297)	(390)	-	(5,687)
Liabilities due after more than 1 year	(370)	-	-	(370)
	<b>3,278</b>	<b>638</b>	<b>38</b>	<b>3,954</b>

**HFMA Company**  
**Analysis of net assets between funds**  
**as at 30 June 2022**

	<b>General fund</b>	<b>Branch fund</b>	<b>Bursary fund</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed and intangible assets	6,136	81	-	6,217
Cash at bank and in hand	928	13	38	979
Other current assets	(280)	1,025	-	745
Current liabilities	(3,192)	(493)	-	(3,685)
Liabilities due after more than 1 year	(12)	-	-	(12)
	<b>3,580</b>	<b>626</b>	<b>38</b>	<b>4,244</b>

## Notes forming part of the Financial Statements (continued) For the year ended 30 June 2022

### Analysis of net assets between funds as at 30 June 2021

	General fund	Branch fund	Bursary fund	Total funds
	£'000	£'000	£'000	£'000
Fixed and intangible assets	6,166	83	-	6,249
Cash at bank and in hand	902	13	38	953
Other current assets	10	925	-	935
Current liabilities	(3,786)	(383)	-	(4,169)
Liabilities due after more than 1 year	(14)	-	-	(14)
	<b>3,278</b>	<b>638</b>	<b>38</b>	<b>3,954</b>

## 19. Capital commitments

At 30 June 2022, there were £242k (2021 £364k) capital commitments for activities contracted for but not provided in the financial statements.

## 20. Contingent asset

At 30 June 2022, there was a contingent asset relating to an insurance claim for business interruption due to the impact of Coronavirus on HFMA's trading activities. The insurance policy caps the claim at £300k but at the time of signing the accounts HFMA are unable to determine what value may be paid by the insurance company.

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2022

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

#### Opinion

We have audited the financial statements of Healthcare Financial Management Association (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the Consolidated and Charity Statement of Financial Activities (including the Summary Income and Expenditure Account) the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2021; and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### Basis for opinion

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

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

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the directors' report and the strategic report, prepared for the purposes of company law and included within the Trustees Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, have been prepared in accordance with applicable legal requirements.

# INDEPENDENT AUDITOR'S REPORT (continued)

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report, included within the Trustees Report.

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

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

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 7 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

## INDEPENDENT AUDITOR'S REPORT (continued)

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and the existence and valuation of income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates, and performing substantive test of details over a sample of income streams.

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

### Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Kerry Gallagher*

KERRY GALLAGHER (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Second Floor,  
1 The Square,  
Temple Quay,  
Bristol,  
BS1 6DG  
Date 15 November 2022

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

**HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION**

England & Wales - Charity number 1114463

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# Accounts

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Company Number 5787972

# HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION

Trustees' Report and Financial Statements

For the year ending 30 June 2021

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Report 2020 – 2021

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# SENIOR EXECUTIVES AND BOARD OF TRUSTEES

## Board of Trustees and Directors

### PRESIDENT

2020/21: Caroline Clarke  
2019/20: Caroline Clarke  
2018/19: Bill Gregory

### VICE PRESIDENTS

2020/21: Owen Harkin  
2020/21: Lee Bond  
2019/20: Owen Harkin  
2019/20: Lee Bond  
2018/19: Caroline Clarke  
2018/19: Owen Harkin

### IMMEDIATE PAST PRESIDENT

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

### CHAIR OF AUDIT AND FINANCE COMMITTEE

James Rimmer (until 31 December 2020)  
Simon Crowther (from 31 December 2020)

### NON-OFFICER TRUSTEES AND DIRECTORS

Sanjay Agrawal  
David Chandler (appointed 10 December 2020)  
Simon Crowther  
Sandra Easton  
Maureen Edwards (appointed 10 December 2020)  
Alex Gild  
Kavita Gnanaolivu  
Bill Gregory  
Kim Li (appointed 10 December 2020)  
Elizabeth O'Mahony  
Lee Outhwaite  
Carol Potter (resigned 10 December 2021)  
Claire Wilson

## HFMA Senior Executive Team

### CHIEF EXECUTIVE / SECRETARY

Mark Knight

### DEPUTY CHIEF EXECUTIVE & DIRECTOR OF FINANCE

Ian Turner

### DIRECTOR OF EDUCATION

Alison Myles (until 31 December 2020)

### DIRECTOR OF POLICY AND RESEARCH

Emma Knowles

## Registered Charity Name and Registered Office

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

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

## Advisors

### BANKER

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

### SOLICITOR

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

### AUDITOR

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

# REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE FOR THE YEAR ENDED 30 JUNE 2021

## President's and Chief Executive's Report

The business plan for the year to 30 June 2021 was set as a reset year for HFMA, having pivoted the organisation in the last quarter of the year to 30 June 2020 to cope with the impact of Covid-19. The focus of that business plan was to maintain our volume of activities to support our members as much as we could and at the same time to ensure the organisation was financially sustainable by making a small surplus.

We are delighted to be able to say that both objectives were achieved. The volume of activity and support to members was actually greater than ever in the last year. Financially the statutory accounts show a surplus of £348k for the year to 30 June 2021, compared to a deficit of £779k in the previous year to 30 June 2020. This is a most pleasing result and goes some way to rebuilding the reserves reduced in the previous year to a level of £3,954k at 30 June 2021.

The demand for outputs from our policy and technical team continued to be very high as did the requests for webinars and other on-line activities. Our free bitesize E learning modules, which are on the NHS ESR system, were accessed over 25,000 times. The number of people attending our virtual events was considerably higher than used to attend face to face events. The reach across the NHS, as result, was far greater than ever before.

If we did not know it already, we were reminded how resilient and supportive the NHS finance function is. We received numerous messages of support and useful suggestions as to how HFMA could assist and support the finance community across the NHS. As a result, the association was able to tailor its work programme accordingly. In 'normal times' this support has been the key to HFMA's success. In these extraordinary times the time and energy that HFMA's volunteers and membership have put into the association has ensured we have survived and have been able to move forward with confidence.

By the membership providing this support the association was also able to provide a significant increase in public benefit as evidenced by, for example, the levels of social media traffic and downloads of material over the last year.

When we develop our business plan each year, we set some key performance indicators which we measure ourselves against each year. These show that as at 30 June 2021 we had reached a record 17,396 members and supported them and others through:

- 336,900 hours of CPD provided during year
- 109 regional and national events including webinars
- 36 briefings and publications.

We ask attendees and users of all our activities to give feedback and over the last year we achieved an amazing 96% good or excellent on events and 96% from everyone who undertook our bitesize e-learning. We are very proud of this feedback.

During the year to 30 June 2021, we also continued to host, work alongside and support One NHS Finance with the delivery of their programme of work in England which has expanded considerably to encompass Future-Focused Finance, the National Finance Academy and the Finance Innovation Forum. We are proud to be a part of this exciting and developing set of programmes.

At the beginning of the year the trustees recognised that the future was very uncertain and therefore rather than set the new three-year strategy from 1 July 2020, it was decided to have two years of reset to 30 June 2022 with a recognition that there is a need to be nimble and flexible as we learn what the 'new normal' looks like in the Covid-19 world we now live in. We will use the second half of the next financial year to set a new three-year strategy for the three years from 1 July 2022 to 30 June 2025.

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

Our theme for the period of the pandemic has been *Taking pride in our future*. We have never been prouder to be supporting our members working in the NHS through this hugely challenging time. They have demonstrated resilience, professionalism and sheer guts in keeping the NHS running over this last year.

There's always more to do but it is clear is that the future looks very different post-pandemic to what it was pre-pandemic. At HFMA we will continue to work hard to support our members as the NHS moves forward and we will work hard to help ensure that we keep the best of what we've learnt over the last year.

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

Caroline Clarke  
President

Mark Knight  
Chief Executive

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021

## Trustees' Report

### OBJECTS AND AIMS

#### THE OBJECTS AND AIMS OF HFMA

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

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

### STRATEGIC REPORT

#### ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

The activities and achievements in the year against each of our strategic objectives as laid out in the 2020/21 strategy are summarised below:

**Benefit:** The number of individual members of HFMA at the end of the year totalled 17,396 (2019/20: 16,666).

The year was dominated by supporting our members as they dealt with the impact of Covid-19. The tangible result of this was more policy and technical output to support the NHS finance community.

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

We were very pleased that our investments over the years in IT and digital mechanisms, such as Microsoft Teams, e-learning, webinars, social media, the website and our Members App have allowed us to continue delivering member benefits and indeed a wider public benefit to all in the NHS over the last year.

The impact of Covid-19 did however mean that we ran no face to face events in the year but did however run many highly successful virtual events. It should also be noted that for much of the year our conference centre, 110 Rochester Row was closed. We therefore took advantage of the governments Coronavirus Job Retention Scheme (CJRS) particularly in the first quarter of the year.

Our organisation facing offerings continue to be very popular and so we were delighted to be able to bring these

together and relaunch them as the new "Hub network". Virtually every NHS organisation is now a Hub member

**Influence:** There have been considerable developments in policy and technical work during the year and we have built on the many new activities that were initiated last year when the impact of Covid-19 was first felt.

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

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

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

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

We continued developing our library of books, reports and briefings, producing 36 briefings and publications in the year.

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

During the year to 30 June 2021 we had an average of 94 students studying for the DHBF, HDHBF and DAPCM qualification.

The Association continues to be the place most NHS finance staff go to satisfy their CPD requirements. Total CPD hours delivered in the year reached 336,900. This continues one of the key statistics that demonstrates the continuing interest our membership and the wider finance community in health has for HFMA's training; be it events, webinars, qualifications or e-learning. Just as importantly HFMA targets a 90% excellent/good score from user feedback. Over the year to 30 June 2021 the average over all events was 96% a statistic we are very proud of.

Over the year all of our events have been run virtually and this has proved a huge success with more attendees than ever and wider audiences being reached than when we ran face to face events. The most popular include our National Annual conference in December and our Pre-Accounts Planning event in February, which was well-attended.

HFMA also continue to manage the Skills Development and Financial Management Training scheme contracts for the South West, West Midlands and South Central contracts.

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021

**E-learning - Bitesize:** Our e-learning modules have proved very sought after by the NHS finance function over the year last year. Part of the offering now includes some modules that have been uploaded onto the NHS ESR system allowing nearly all employees in the NHS to access them free of charge. At the time of writing some 30,000 downloads had taken place.

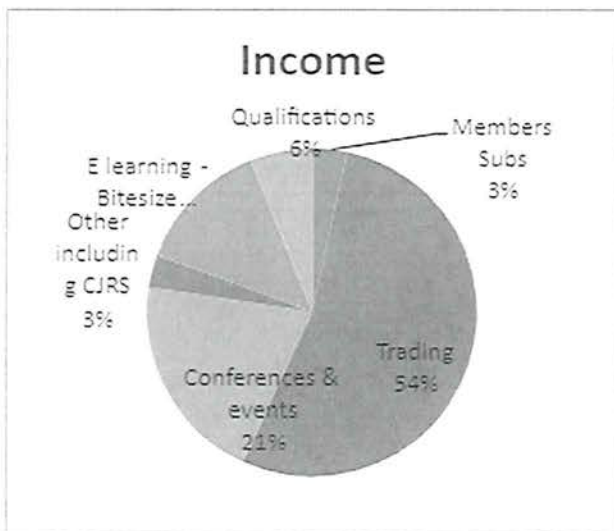
Once again, we are very proud to report that the target of achieving over 90% of users scoring each module excellent or good was achieved at 96%.

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

## FINANCIAL REVIEW

As can be seen from above it has been another hugely challenging year as HFMA has faced the challenges that Covid-19 has brought to the NHS.

We are therefore delighted that the pivoting of the organisation and actions taken at the end of last year have stabilised the finances and meant that HFMA has made a small surplus for the year of £42k. When one adds in a small realised gain from selling investments of £49k and an unrealised gain on our remaining investments of £257k the surplus for the year in these statutory accounts is £348k (£779k deficit in 2019/20).



The total income of the Charity for 2020/21 was £5,453k (£6,668k in 2019/20).

The largest single source of income was from trading which stood at £2,922k in 2020/21 (£3,476k in 2019/20) down considerably year-on-year due to the impact of Covid-19 on sponsorship accruing from face to face events and the Conference Centre, 110 Rochester Row being closed for the bulk of the year.

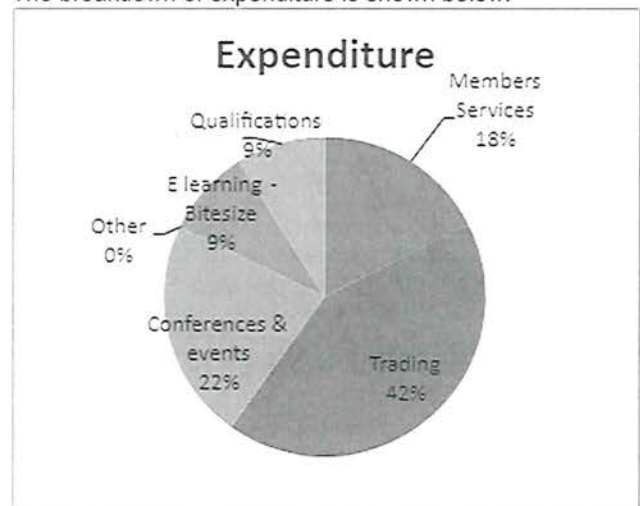
Conferences and training events income in 2020/21 totalled £1,118k (£1,501k in 2019/20). The reduction being again due to the impact of Covid-19 resulting in no higher income face to face events taking place in the year.

E-learning (Bitesize) income totalled £725k in 2020/21, (£827k in 2019/20) the decrease being due to less activity over the first quarter of the year as a result of Covid-19.

Qualifications income totalled £332k (£301k in 2019/20) a slight increase year on year as a result of the income to allow development of the Personal Healthcare Budgets module.

Other income includes Coronavirus Job Retention Scheme (CJRS) grant income of £99k in 2020/21 (£269k in 2019/20).

The breakdown of expenditure is shown below:



The costs of all the trading activity in the trading subsidiary, HFMA Ltd was £2,293k in 2020/21 (£3,213k in 2019/20). This resulted in surplus of £460k (£104k in 2019/20) which is used by the charity to subsidise the cost of activities and services provided to the members of HFMA.

By far the greatest activity in terms of income, other than the trading activities in the subsidiary companies noted above, is conferences and events. Expenditure totalled £1,207k in 2020/21 (£1,911k in 2019/20). The reduction reflects the fact that costs of running face to face events are considerably less than the costs of running virtual events.

The costs of e-learning, Bitesize, packages have increased year-on-year at £479k (£430k in 2019/20). With income down the result is a reduced contribution at £247k (£397k in 2019/20).

Members subscriptions totalled £181k in 2020/21 (£188k in 2019/20). The costs of member services reduced to £947k in 2020/21 (£1,055k in 2019/20) reflecting the focus on cost reduction over the last year. It is pleasing to note that the key activity statistics show that despite these cost savings the volume and quality of member services has not been affected. It is congruent with the objects and aims of the charity and the Charity Commission's guidance on Public

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021

Benefit, that subscriptions paid by members cover only a small percentage of the costs of providing member services with the surpluses achieved in the trading operations of HFMA subsidising the balance of the costs.

The surplus of £348k in 2020/21 increases the net funds of HFMA at 30 June 2021, to £3,945k (£3,606k.2019/20)

The financial statements have been prepared in accordance with relevant law and current accounting conventions and in particular the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)).

## PUBLIC BENEFIT

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

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

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

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

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

The activities and achievements of the charity in the year to 30 June 2021 are detailed in the Chief Executive's report with commentary as to how the objectives set were met. These achievements demonstrate how successful HFMA has been in fulfilling its objectives and providing a Public Benefit.

## FUTURE PLANS

A business plan for 2021-22 has been produced which aims to consolidate the changes HFMA has made to the Charity in the last 18 months and to work in the new reality. This includes the exciting move into HFMA's new owned office in Bristol in early 2022.

The Trustees and Senior Management Team at HFMA are confident that the Association is in a good position to move forward into the new world as we come to terms with the changes that Covid-19 has made to our world and HFMA's place in it.

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

- **Benefit:** it is important that HFMA not only maintains the current quality of services but also develops them to support our members and the wider NHS at a time of ever-growing financial pressure. In terms of membership, our clear strategy will be to maintain our existing level of membership in the year ahead. We are also working closely with the other main supporters of finance professionals in the NHS on the ONF initiative.
- **Influence:** HFMA provides material that is relevant and timely for members. It is planned to keep up with demand for specific publications and training packages during the following year. A clear focus will be to support the NHS and the wider community in their understanding of the impact of Covid-19 and the overall NHS move towards more place-based structures. We aim to ensure our outputs provide the best support to our members and the organisations they work for. We will continue to work closely with the NHS leadership teams in developing and influencing policy and we will be continuing to foster relationships with other organisations, such as the accounting bodies, medical colleges and organisations as well as working closely with the new ICS's in the new NHS world.
- **Training and development:** the full conference and seminar programme, locally at branches and nationally, will be followed but, particularly in the first half of the year these will be on-line and virtually delivered. Extending our work assisting local Skills Development and FMTS groups will also continue to be a focus for 2020/21. Each branch will run a minimum of four events of which at least one will be fee free. We will also be looking to further develop our faculty programme. The HFMA Diploma and Higher Diploma and DAPC is currently to continue to have three intakes each year in September/October, January and May.
- **E-learning - Bitesize;** We will further develop our e-learning Bitesize products and programmes. Our usual programme of updating existing modules will also take place to ensure that the training we deliver is up to date and of the highest quality. We will also be looking to keep the programme of refreshing and improving the website and mobile app in the year ahead.

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

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

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021

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

## RESERVES AND GOING CONCERN

HFMA's total reserves which have been built up slowly over many years were severely reduced in the year to 30 June 2020 by £779k as a direct result of lost revenue due to the impact of Covid-19. The result for the year to 30 June 2021 of £348k has gone some way to rebuilding the Reserves of the Charity which now stand at £3,954k (2019/20 £3,606k).

All reserves are held in funds whose use is at the discretion of the Trustees as long as they are used as laid out in the objects and aims of the charity. The reserves policy below is set by the Trustees.

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

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

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

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

As a result of the impact of Covid-19 leading to a loss of £779k for the year to 30 June 2020 the General fund balance is below the level targeted. The surplus of £348k this year to 30 June 2021 has started the rebuilding of the General fund but the financial strategy over the coming years will be to build this fund back up to the levels set before the impact of Covid-19

This will be achieved through re-building revenues where and keeping a close control over the cost base.

The Trustees consider it is appropriate to treat the Charity as a going concern.

This is due to the Trustees and Senior Management team having a clear understanding of the risks facing the organisation and robust cash management plans.

The largest uncertainty facing the Charity is the ability to run events at the Conference Centre in London, 110 Rochester Row. However, stress testing the budget and resulting cash flow forecasts for this risk, alongside considering other downside risks, shows that HFMA has cash reserves available for the period to 30 June 2023.

To assist with cash requirements a Coronavirus Business Interruption Loan of £850k was received in February 2021. This will be repaid in February 2022. Future budgeted cash flows show HFMA will have sufficient cash to repay these monies.

It is also worth noting that if needed HFMA has fixed assets investments which could be sold if further cash was required. The value of these investments at 30 June 2021 was £2,233k (2019/20 £2,227k).

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

This has proved a good strategic approach in recent years with £2,000k having been invested in Funds in 2017 that have seen a substantial increase in value.

In addition in the year to 30 June 2021 HFMA was able to move quickly to secure the purchase of a building in Bristol for £670k which will become HFMA's offices in Bristol, thereby satisfying a long term strategic objective of the Charity to purchase a premises in Bristol.

## TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

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

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

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021

basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

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

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

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

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

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

## INVESTMENT POLICY

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

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

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

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

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

## CONSTITUTION AND GOVERNANCE

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

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

During 2020/21, the Board of Trustees comprised the National President, two Vice-Presidents, Past Chair and Chair of the Audit and Finance Committee, who are nominated by the membership as a whole, and a representative from each of the three devolved nations who are elected by their branches and seven Trustees who are appointed by Board of Trustees. All the Trustees are directors of HFMA.

During the year the Board usually meets formally four times. When appropriate or necessary additional Board meetings are called. These meetings along with briefing papers for the Board ensured the Trustees were fully briefed on the risks and actions being taken and fully involved in decision making over this period.

Over the year, in addition to regular Board meetings, the Audit and Finance Committee and the Appointments and Remuneration Committee met four times. These two committees have delegated powers and responsibilities that are documented and approved by the Board.

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

The day to day running of HFMA is delegated by the Board to the CEO and Senior Management Team. Senior Management Team meetings take place monthly.

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021

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

The 13 branches have their own volunteer branch executives usually comprising a Branch Chair, a Branch Treasurer and a Branch Secretary.

The year to 30 June 2020 was the last year of the 2017-20 strategy. Due to the impact of Covid-19 it was determined that the years to 30 June 2021 and 30 June 2022 would be years where the focus would be on survival and reset. The next three-year strategy will be developed in early 2022 and will cover the three years from 1 July 2022 to 30 June 2026.

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

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

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

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

## RISK MANAGEMENT

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

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

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

In the last quarter of the year to 30 June 2020 HFMA pivoted

the operations of the organisation to manage the impact of Covid-19. The management of this risk led to all HFMA's staff moving to working from home, all face to face events were cancelled or moved to being run as virtual events and the conference centre 110 Rochester Row was closed.

The Business Continuity planning ensured that the impact of Covid-19 was managed and HFMA was able to start the year from 1 July 2020 having fully pivoted the business model. This included mitigations around cost being put in place to bring the expenditure of the Charity down to match a prudent estimate of income going forward from 1 July 2020.

Although these mitigations give the Board comfort that the risk around the impact of Covid-19 is being managed appropriately, the risk of further negative impacts on income still exists notably at 110 Rochester Row and so this is still seen as the major risk that the Charity needs to manage at the time of writing this report.

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

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

## SERVICES PROVIDED BY OTHER BODIES

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

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

## BRANCHES

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

## AUDITOR

A resolution proposing that RSM UK Audit LLP be reappointed as statutory auditor of the Charity will be put to the Annual General Meeting in December 2021.

The Trustees Report and the Strategic Report contained within it were approved by the Board on 2 November 2021 and signed on its behalf by;

Simon Crowther



Trustee and Chair of the Audit Committee

# FINANCIALS – Statements of Financial Activities

## Consolidated and charity statements of financial activities for year ended 30 June 2021 (including Income and Expenditure Accounts)

2019-20			2020-21		
Unrestricted funds			Unrestricted funds		
Association	Consolidation		Notes	Association	Consolidation
£'000	£'000			£'000	£'000
		<b>INCOME</b>	2		
		INCOME FROM RAISING FUNDS			
		Voluntary income			
459	459	Member Subscriptions and donations		280	280
		Activities for generating funds			
-	3,476	Trading Turnover: HFMA Ltd (excluding qualifications)	17	-	2,922
		Investment income			
181	72	Investment income and interest received		197	66
104	-	Gift Aid from subsidiary to Association		460	-
		INCOME FROM CHARITABLE ACTIVITIES			
1,501	1,501	Conferences and seminars		1,118	1,118
827	827	E-Learning (Bitesize)		725	725
5	5	Member services including publications and magazine		6	6
51	301	Qualifications		-	332
53	27	Other income		30	4
<b>3,181</b>	<b>6,668</b>	<b>TOTAL INCOME</b>		<b>2,816</b>	<b>5,453</b>
		<b>EXPENDITURE</b>	3		
		COST OF RAISING FUNDS			
(121)	(121)	Costs of generating voluntary income		(133)	(133)
		Costs of fundraising trading			
-	(3,213)	HFMA Ltd (excluding qualifications)	16	-	(2,293)
(51)	-	Management costs (depreciation)		(51)	-
		COST OF CHARITABLE ACTIVITIES			
(2,031)	(1,911)	Conferences and seminars		(1,297)	(1,207)
(430)	(430)	E-Learning (Bitesize)		(479)	(479)
(1,121)	(1,101)	Member services including publications and magazine		(814)	(814)
(170)	(635)	Qualifications		-	(485)
(2)	(2)	Bursaries		-	-
<b>(3,926)</b>	<b>(7,413)</b>	<b>TOTAL EXPENDITURE</b>		<b>(2,774)</b>	<b>(5,411)</b>
-	-	RECOGNISED GAINS ON INVESTMENTS		49	49
(34)	(34)	UNRECOGNISED GAINS/(LOSSES) ON INVESTMENTS		257	257
<b>(779)</b>	<b>(779)</b>	<b>NET INCOME/(EXPENDITURE)</b>		<b>348</b>	<b>348</b>
<b>(779)</b>	<b>(779)</b>	<b>NET MOVEMENT IN FUNDS</b>		<b>348</b>	<b>348</b>
4,385	4,385	BALANCE BROUGHT FORWARD AT 1 JULY		3,606	3,606
<b>3,606</b>	<b>3,606</b>	<b>FUND BALANCE CARRIED FORWARD AT 30 JUNE</b>	17	<b>3,954</b>	<b>3,954</b>

All the above results derive from continuing activities and there were no gains or losses other than those shown above.

The notes on pages 14 to 27 form part of these accounts.

# FINANCIALS – Balance Sheets

## Consolidated and charity statements of financial position as at 30 June 2021

30 June 2020			30 June 2021		
Association £'000	Consolidation £'000		Notes	Association £'000	Consolidation £'000
		<b>Fixed assets</b>			
3,266	3,358	Tangible assets	7a	3,875	3,943
259	266	Intangible assets	7b	141	144
2,227	2,227	Investments	7c	2,233	2,233
<b>5,752</b>	<b>5,851</b>	<b>Total fixed assets</b>		<b>6,249</b>	<b>6,320</b>
		<b>Current assets</b>			
1	3	Stocks		1	3
748	1,851	Debtors	8	934	2,036
537	1,076	Cash at bank and in hand	9	953	1,652
<b>1,286</b>	<b>2,930</b>	<b>Total current assets</b>		<b>1,888</b>	<b>3,691</b>
(3,430)	(4,654)	Creditors: Amounts falling due within one year	10	(4,169)	(5,687)
<b>(2,144)</b>	<b>(1,724)</b>	<b>Net current liabilities</b>		<b>(2,281)</b>	<b>(1,996)</b>
		<b>Total assets less current liabilities</b>			
(2)	(521)	Creditors: Amounts falling due after more than one year	11	(14)	(370)
<b>3,606</b>	<b>3,606</b>	<b>Net assets</b>		<b>3,954</b>	<b>3,954</b>
		<b>Unrestricted funds</b>			
2,871	2,871	General fund		3,278	3,278
		<b>Designated funds</b>			
698	698	Branch fund		638	638
37	37	Bursary fund		38	38
<b>3,606</b>	<b>3,606</b>	<b>Total unrestricted funds</b>	17	<b>3,954</b>	<b>3,954</b>

The notes on pages 14 to 27 form part of these accounts.

The accounts were approved by the Board of Trustees on 2 November 2021

Caroline Clarke, President

# FINANCIALS – Statement of Cash Flows

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

2019-20		Notes	2020-21
£'000			£'000
160	Net cash inflow/(outflow) from operating activities	15	30
	<b>Cash flows from investing activities</b>		
1	Interest received		-
71	Dividends received		66
(76)	Purchase of tangible fixed assets		(670)
(46)	Purchase of intangible fixed assets		-
-	Loans received		850
-	Sale of investments		300
(50)	<b>Total inflow/(outflow) from investing activities</b>		<b>546</b>
110	<b>Increase/(Decrease) in cash</b>		<b>576</b>

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

## Reconciliation of net cash flow to movement in cash

	2020-21
	£'000
Cash at 1 July 2020	1,076
Increase/(Decrease) in cash in the year	576
Cash at 30 June 2021	1,652

## Analysis of changes in net debt

	As at 30 June 2020	Cash flows	As at 30 June 2021
	£'000	£'000	£'000
<b>Cash and cash equivalents</b>			
Cash	1,076	576	1,652
<b>Borrowings</b>			
Debt due within one year	-	(850)	(850)
<b>Total</b>	<b>1,076</b>	<b>(274)</b>	<b>802</b>

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

## 1. Accounting Policies

### a) GENERAL INFORMATION

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

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

### b) BASIS OF PREPARATION

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

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

### c) GOING CONCERN

The accounts have been produced on the basis that the charity is a going concern. This is as a result of the trustees having a clear understanding of the risks facing the organisation and the existence of robust cash management plans. The Charity also has budgets and resulting cash flows which have been stress tested for the year ahead which support this view.

The largest uncertainty facing the Charity is the ability to run events at the Conference Centre in London, 110 Rochester Row. However, stress testing the budget and resulting cash flow forecasts for this risk, alongside considering other downside risks, shows that HFMA has cash reserves available at least through to 30 June 2023.

After taking into account the stress testing, there is still headroom over the period to 30 June 2023. If an unforeseen risk occurs or the risks considered in the stress testing are of a larger quantum than considered, HFMA has the ability to sell more of its fixed assets investments than planned if further cash was required. The value of these investments at 30 June 2021 was £2,233k. It is worth noting that these investments if realised and turned into cash would turn the net current liabilities position of the Charity into a net current assets position at 30 June 2021. It is also worth noting that included in current liabilities in the balance sheet is £3,393k of deferred income, which if added back would also turn the net current liabilities position into a net current assets position.

### d) REDUCED DISCLOSURES

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

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

### e) FUNCTIONAL AND PRESENTATIONAL CURRENCY

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

### f) FINANCIAL INSTRUMENTS

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

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

## 1. Accounting Policies (continued)

### f) FINANCIAL INSTRUMENTS (continued)

#### Financial assets

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

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

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

#### Financial liabilities

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

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

### g) GROUP FINANCIAL STATEMENTS

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

### h) INCOME

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

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

### i) VOLUNTEERS

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

### j) EXPENDITURE

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

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

## 1. Accounting Policies (continued)

### j) EXPENDITURE (continued)

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

### k) LEASED BUILDINGS AND EQUIPMENT

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

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

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

### l) TANGIBLE FIXED ASSETS

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

Depreciation on these assets is calculated as follows:

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

### m) INTANGIBLE FIXED ASSETS

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

### n) INVESTMENTS

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

### o) STOCK

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

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2021

### 1. Accounting Policies (continued)

#### p) FUNDS STRUCTURE

All funds are unrestricted income funds. These are split into undesignated (the General and Branches funds) and designated funds (the Bursary and Deep Reserve funds). The General and Branches funds should be built up to at least six months' worth of total annual costs of HFMA to cover short-term falling off in demand for the services offered. The Bursary fund is to support those with low incomes accessing the services of HFMA or assisting members in activities that benefit healthcare in the UK that they would not be able to perform without support.

#### q) PENSIONS

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

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

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

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

#### r) FOREIGN CURRENCIES

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

#### s) PROVISIONS

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

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

#### t) SIGNIFICANT JUDGEMENT AND ESTIMATES

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

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

Notes forming part of the Financial Statements (continued)  
For the year ended 30 June 2021

2. Income

a) INCOME FROM RAISING FUNDS

VOLUNTARY INCOME

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

2019-20			2020-21	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
190	190	Subscriptions	181	181
269	269	Grants and Donations (CJRS payments)	99	99
<b>459</b>	<b>459</b>		<b>280</b>	<b>280</b>

ACTIVITIES FOR GENERATING FUNDS

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

INVESTMENT INCOME AND INTEREST RECEIVED

2019-20			2020-21	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
22	72	Investment Income	38	66
159	-	Rental income	159	-
<b>181</b>	<b>72</b>		<b>197</b>	<b>66</b>

b) INCOME FROM CHARITABLE ACTIVITIES

CONFERENCES AND SEMINARS

2019-20			2020-21	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
1,234	1,234	National and regional events	1,047	1,047
267	267	Branch events	71	71
<b>1,501</b>	<b>1,501</b>		<b>1,118</b>	<b>1,118</b>

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2021

### 3. Expenditure

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

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

COST ANALYSIS 2020-21	Direct Costs	Support Costs	TOTAL	TOTAL
	£'000	£'000	2020-21 £'000	2019-20 £'000
Generating Voluntary Income	4	129	133	121
Conferences and Seminars	701	506	1,207	1,911
E-learning	32	447	479	430
Member Services including publications and magazine	33	781	814	1,101
Qualification	-	485	485	635
Bursary	-	-	-	2
<b>Total Association</b>	<b>770</b>	<b>2,348</b>	<b>3,118</b>	<b>4,200</b>
HFMA Ltd	1,638	655	2,293	3,213
<b>Consolidated</b>	<b>2,408</b>	<b>3,003</b>	<b>5,411</b>	<b>7,413</b>

#### a) COSTS OF GENERATING FUNDS

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

#### b) COSTS OF CHARITABLE ACTIVITIES

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

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

2019-20			2020-21	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
378	378	Branch events	110	110
1,653	1,533	Centre events	1,187	1,097
<b>2,031</b>	<b>1,911</b>		<b>1,297</b>	<b>1,207</b>

### 4. Audit Fees

The total external audit fees were:

2019-20			2020-21	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
15	15	Charity	16	16
-	3	HFMA Ltd	-	4
<b>15</b>	<b>18</b>		<b>20</b>	<b>20</b>
-	2	Other services supplied by affiliates of RSM UK Audit LLP	-	3

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

## 5. Staff Costs and Trustees' Remuneration

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

### a) STAFF COSTS

2019-20		2020-21
£'000		£'000
3,040	Staff salaries	2,503
301	Employers NI costs	273
368	Pension costs	350
151	Sundry (including Childcare Vouchers and Staff Training)	89
<b>3,860</b>		<b>3,216</b>

Staff costs are allocated according to the functions of each staff member: £1,540k (2019/20 £1,344k) is included in direct costs, £1,676k (2019/20 £2,516k) in support costs together they form part of trading costs, fundraising costs, and charitable expenditure, as appropriate (see note 3).

During the year redundancy costs of £83k (2019/20 £1k) were incurred and are included in the table above. The redundancy costs reflect amounts paid to re-align the Charity's staff structure to the group's future operating plan.

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

The average employee headcount throughout the year:

2019-20		2020-21
44	Operations/Technical	40
9	Qualification	3
12	Business Development	7
19	Administration	17
<b>84</b>		<b>67</b>

### c) EMOLUMENTS

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

2019-20		2020-21
2	Band £60,000 - £69,999	1
2	Band £70,000 - £79,999	1
1	Band £80,000 - £89,999	2
1	Band £100,000 - £109,999	1
-	Band £110,000 - £119,999	1
-	Band £170,000 - £179,999	1
1	Band £180,000 - £189,999	-

### d) KEY MANAGEMENT

The key management of HFMA during the year were the Chief Executive, Deputy Chief Executive & Director of Finance, Director of Policy & Research and Director of Education & Development whose combined working weeks totalled to the equivalent of 3.3 full time equivalent (FTE) employees. Their employee benefits including remuneration, benefits in kind, employers pension costs and employers National Insurance total £526k for the year (2019/20 Chief Executive, Deputy Chief Executive & Director of Finance, Director of Policy & Research and Director of Education & Development, 3.8 FTE and total cost £525k).

### e) PENSIONS

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

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

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

### f) TRUSTEES

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

2019-20 £'000	Type of Expense	2020-21 £'000
3	Subsistence	-
7	Travel	-
6	Accommodation	-
<b>16</b>		<b>-</b>

## 6. Property and Operating Lease Commitments

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

2019-20			2020-21	
Association £'000	Consolidation £'000		Association £'000	Consolidation £'000
19	19	One year or less	19	19
46	46	Two to five year	27	27
-	-	Over 5 years		

Property and operating lease costs shown within the statements of financial activities within support costs were £44k (2019/20 £55k) for Association and £44k (2019/20 £55k) for the consolidated group.

## 7.a) Tangible Fixed Assets

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

	Freehold £'000	Long Leasehold £'000	Leasehold Improvements £'000	Equipment £'000	Total £'000
Cost as at 1 July 2020	-	2,030	1,456	490	3,976
Additions	670	-	-	-	670
<b>Cost as at 30 June 2021</b>	<b>670</b>	<b>2,030</b>	<b>1,456</b>	<b>490</b>	<b>4,646</b>
Cumulative depreciation as at 1 July 2020	-	29	272	317	618
Depreciation charge for the year	-	-	27	58	85
<b>Cumulative depreciation as at 30 June 2021</b>	<b>-</b>	<b>29</b>	<b>299</b>	<b>375</b>	<b>703</b>
Net book value as at 1 July 2020	670	2,001	1,184	173	3,358
<b>Net book value as at 30 June 2021</b>	<b>670</b>	<b>2001</b>	<b>1,157</b>	<b>115</b>	<b>3,943</b>

Notes forming part of the Financial Statements (continued)  
For the year ended 30 June 2021

7. a) Tangible Fixed Assets (continued)

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

	Freehold	Long Leasehold	Leasehold Improvements	Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost as at 1 July 2020	-	2,030	1,445	293	3,768
Additions	670	-	-	-	670
<b>Cost as at 30 June 2021</b>	<b>670</b>	<b>2,030</b>	<b>1,445</b>	<b>293</b>	<b>4,438</b>
Cumulative depreciation as at 1 July 2020	-	29	260	213	502
Depreciation charge for the year	-	-	27	34	61
<b>Cumulative depreciation as at 30 June 2021</b>	<b>-</b>	<b>29</b>	<b>287</b>	<b>247</b>	<b>563</b>
Net book value as at 1 July 2020	670	2,001	1,185	80	3,266
<b>Net book value as at 30 June 2021</b>	<b>670</b>	<b>2,001</b>	<b>1,158</b>	<b>46</b>	<b>3,875</b>

7.b) Intangible Fixed Assets

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

	Intellectual Property	Software	Total
	£'000	£'000	£'000
Cost as at 1 July 2020	35	877	912
Additions	-	-	-
<b>Cost as at 30 June 2021</b>	<b>35</b>	<b>877</b>	<b>912</b>
Cumulative amortisation as at 1 July 2020	35	611	646
Amortisation charge for the year	-	122	122
<b>Cumulative amortisation as at 30 June 2021</b>	<b>35</b>	<b>733</b>	<b>768</b>
Net book value as at 1 July 2020	-	266	266
<b>Net book value as at 30 June 2021</b>	<b>-</b>	<b>144</b>	<b>144</b>

Notes forming part of the Financial Statements (continued)  
For the year ended 30 June 2021

7.b) Intangible Fixed Assets (continued)

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

	Software £'000	Total £'000
Cost as at 1 July 2020	858	858
Additions	-	-
<b>Cost as at 30 June 2021</b>	<b>858</b>	<b>858</b>
Cumulative amortisation as at 1 July 2020	599	599
Amortisation charge for the year	118	118
<b>Cumulative amortisation as at 30 June 2021</b>	<b>717</b>	<b>717</b>
Net book value as at 1 July 2020	259	259
<b>Net book value as at 30 June 2021</b>	<b>141</b>	<b>141</b>

7. c) Investments

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

	Market Value as at 30 June 2020 £'000	Disposal £'000	Market value as at 30 June 2021 £'000	Gain in year £'000
CCLA Funds	1,237	150	1,252	165
Barclays Funds	990	150	981	141
<b>Total</b>	<b>2,227</b>	<b>300</b>	<b>2,233</b>	<b>306</b>

The gain in the year was split between £49k of realised gain on the disposals and an unrealised gain of £257k.

8. Debtors

as at 30 June 2020			as at 30 June 2021		
Association £'000	Consolidation £'000		Association £'000	Consolidation £'000	
466	1,542	General debtors	744	1,858	
7	-	Amounts due from group companies	6	-	
275	309	Prepayments & accrued income	184	178	
<b>748</b>	<b>1,851</b>		<b>934</b>	<b>2,036</b>	

9. Cash at bank and in hand

The bank and cash accounts held are as follows:

as at 30 June 2020			as at 30 June 2021		
Association £'000	Consolidation £'000		Association £'000	Consolidation £'000	
537	1,076	Current accounts	953	1,652	
<b>537</b>	<b>1,076</b>	Total cash balance	<b>953</b>	<b>1,652</b>	

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

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

as at 30 June 2020			as at 30 June 2021		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
-	-	Bank loans (CBIL's)	850	850	
118	503	Trade creditors	274	571	
1,312	-	Amounts due to group companies	1,144	-	
80	80	Social security creditors	116	116	
32	32	Pension creditors	56	56	
473	512	Other creditors	-	-	
319	500	Accruals	340	466	
1,096	3,027	Deferred income	1,389	3,628	
<b>3,430</b>	<b>4,654</b>		<b>4,169</b>	<b>5,687</b>	

The Coronavirus Business Interruption Loan (CBIL's) has nil% interest payable, has security taken over 110 Rochester Row in London and is repayable on 15 February 2022.

Deferred income as at 30 June 2021 consists of the income for events and service delivery that takes place in the next financial year.

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

2019-20			2020-21		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
1,418	3,398	Deferred Income falling due within one year as at 1 July	1,096	3,027	
(1,418)	(3,398)	Released during year	(1,096)	(3,027)	
1,096	3,027	Additional Deferred Income for year	1,389	3,628	
<b>1,096</b>	<b>3,027</b>	Deferred Income falling due within one year carried forward as at 30 June	<b>1,389</b>	<b>3,628</b>	

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

as at 30 June 2020			as at 30 June 2021		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
2	521	Deferred Income	14	370	
<b>2</b>	<b>521</b>		<b>14</b>	<b>370</b>	

Deferred Income as at 30 June 2021 consists of the income for events and service delivery that takes place in more than one year.

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

2019-20			2020-21		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
8	509	Deferred Income falling due after more than one year as at 1 July	2	521	
(8)	(127)	Released during year	(2)	(204)	
2	139	Additional Deferred Income for year	14	53	
<b>2</b>	<b>521</b>	Deferred Income falling due after more than one year carried forward as at 30 June	<b>14</b>	<b>370</b>	

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

## 12. Financial Instruments

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

### Financial assets

as at 30 June 2020			as at 30 June 2021	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
466	1,542	General debtors	744	1,858
7	-	Amounts due from group companies	6	-
270	302	Accrued income	179	170

### Financial liabilities

as at 30 June 2020			as at 30 June 2021	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
-	-	Bank loans (CBIL's)	850	850
118	503	Trade creditors	274	571
1,312	-	Amounts due to group companies	1,144	-
319	500	Accruals; less than one year	340	466

## 13. Analysis of Net Assets of Branches

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

Net assets at 30th June 2020 £'000	Branch	Net assets at 30th June 2021 £'000
49	East Midlands	42
22	Eastern	21
51	Kent, Sussex and Surrey	45
24	London	24
27	North West	36
70	Northern	72
62	Northern Ireland	56
12	Scotland	14
94	South West	96
18	South Central	16
75	Wales	68
162	West Midlands	127
32	Yorkshire and Humber	21
<b>698</b>		<b>638</b>

The overall deficit for the branches for the year was £60k (2020 a surplus of £48k).

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

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

Year to 30th June 2020 £'000		Year to 30th June 2021 £'000
(779)	Net income/(expenditure) for the year:	348
230	Depreciation and amortisation	207
-	Realised loss/(gain) on sale of investment	(49)
34	Unrealised loss/(gain) on investment	(257)
(72)	Interest and dividends receivable	(66)
(587)	EBITDA	183
889	(Increase)/decrease in debtors	(185)
(142)	Increase/(decrease) in creditors	32
<b>160</b>	<b>Net cash inflow from operating activities</b>	<b>30</b>

## 15. Related Party Transactions

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

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

HFMA charges a percentage of its staff and overhead costs to HFMA Ltd based on the proportion of staff and management activity committed to the Company. The amount recharged in the year was £964k (2019/20 £1,274k).

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

HFMA charges a percentage of its staff and overhead costs to HCS Ltd based on the proportion of staff and management activity committed to the Company. The amount recharged in the year was £nil (2019/20 £nil).

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

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

## 16. Subsidiaries

### a) HFMA LTD

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

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

## 16. Subsidiaries (continued)

### PROFIT AND LOSS ACCOUNT

Year to 30 June 2020 £'000		Year to 30 June 2021 £'000
3,879	Turnover	3,344
(1,866)	Cost of sales	(940)
<b>2,013</b>	<b>Gross profit</b>	<b>2,404</b>
49	Interest received	27
<b>2,062</b>		<b>2,431</b>
(684)	Administration	(1,007)
(1,274)	Association recharge	(964)
<b>104</b>	<b>Net result</b>	<b>460</b>

### BALANCE SHEET

As at 30 June 2020 £'000		As at 30 June 2021 £'000
99	Fixed assets	71
2,963	Current assets	2,996
(2,543)	Creditors: Amounts falling due within one year	(2,476)
519	Total assets less current liabilities	591
(519)	Creditors: Amounts falling due after more than one year	(591)
<b>-</b>	<b>Net assets</b>	<b>-</b>

The turnover in HFMA Limited totalled £3,344k (2020 £3,879k) for the year of which £133k (2020 £153k) related to activities performed for HFMA which is removed on consolidation. Therefore, in the consolidated accounts turnover relating to HFMA Limited is shown as £3,211k (2020 £3,726k).

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

The principal activity of the company was providing consultancy services to the healthcare industry. There was no trading in this subsidiary in the year to 30 June 2021 or in the year ending 30 June 2020. The Financial Statements of HCS Ltd for the year to 30 June 2021, as consolidated into the accounts of HFMA had £nil net assets (30 June 2020 £nil).

## 17. Statement of funds

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

Unrestricted funds	at 1 July 2020 £'000	Surplus/ (Deficit) £'000	Transfers £'000	Unrecognised gains/(losses) £'000	at 30 June 2021 £'000
<b>General funds</b>					
Trading funds	-	460	(460)	-	-
General fund	2,871	(297)	460	244	3,278
<b>Designated funds</b>					
Branch fund	698	(73)	-	13	638
Bursary fund	37	1	-	-	38
<b>Consolidated</b>	<b>3,606</b>	<b>91</b>	<b>-</b>	<b>257</b>	<b>3,954</b>

The transfers between funds relate to the total Gift Aid to the Association Centre from the trading subsidiaries.

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

## 18. Analysis of net assets between funds

### HFMA Group Analysis of net assets between funds as at 30 June 2021

	General fund	Branch fund	Bursary fund	Total funds
	£'000	£'000	£'000	£'000
Fixed and intangible assets	6,237	83	-	6,320
Cash at bank and in hand	1,601	13	38	1,652
Other current assets	1,107	932	-	2,039
Current liabilities	(5,297)	(390)	-	(5,687)
Liabilities due after more than 1 year	(370)	-	-	(370)
	<b>3,278</b>	<b>638</b>	<b>38</b>	<b>3,954</b>

### HFMA Company Analysis of net assets between funds as at 30 June 2021

	General fund	Branch fund	Bursary fund	Total funds
	£'000	£'000	£'000	£'000
Fixed and intangible assets	6,166	83	-	6,249
Cash at bank and in hand	902	13	38	953
Other current assets	10	925	-	935
Current liabilities	(3,786)	(383)	-	(4,169)
Liabilities due after more than 1 year	(14)	-	-	(14)
	<b>3,278</b>	<b>638</b>	<b>38</b>	<b>3,954</b>

## 19. Capital commitments

At 30 June 2021, there were £364k (2020 £nil) capital commitments for activities contracted for but not provided in the financial statements.

## 20. Contingent asset

At 30 June 2021, there was a contingent asset relating to an insurance claim for business interruption due to the impact of Coronavirus on HFMA's trading activities. The insurance policy caps the claim at £100k but at the time of signing the accounts HFMA are unable to determine what value, if any, may be paid by the insurance company

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

## Opinion

We have audited the financial statements of Healthcare Financial Management Association (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the Consolidated and Charity Statement of Financial Activities (including the Summary Income and Expenditure Account) the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2021; and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

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

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

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the directors' report and the strategic report, prepared for the purposes of company law and included within the Trustees Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, have been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT (continued)

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report, included within the Trustees Report.

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

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

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on pages 7-8 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

## INDEPENDENT AUDITOR'S REPORT (continued)

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and the existence and valuation of income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates, and performing substantive test of details over a sample of income streams.

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

### Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Kerry Gallagher*

KERRY GALLAGHER (Senior Statutory Auditor)

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

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol

BS1 6AD

Date 8 November 2021

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