

# THE HOSPITAL SATURDAY FUND

England & Wales · Charity number 1123381

## Details

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Status	Registered
Legal form	Charitable company
Company number	<a href="#">06039284</a>
Registered	2008-03-31
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address	The Hospital Saturday Fund 24 Upper Ground London SE1 9PD
Phone	02072021334
Email	<a href="mailto:charity@hsf.eu.com">charity@hsf.eu.com</a>
Website	<a href="http://www.hospitalsaturdayfund.org">www.hospitalsaturdayfund.org</a>

## Activities

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**Objects:** 4. The objects for which the Association is established are for:the relief of sickness and suffering and giving of help to those who are aged, infirm unemployed or in need and who require Medical Relief as hereinafter defined or who are pregnant and for the promotion of medical research for the benefit of the public in the United Kingdom of Great Britain and Northern Ireland, Eire, the Channel Islands, the Isle of Man and Malta (the "area of benefit").

**Activities:** The Charitable Company's principal activities are grant making to medical charities, hospices and hospitals and to individuals with health or disability problems. These donations and grants were made possible by the surplus profits of the Charitable Company's trading Company, HSF health plan, being gifted to The Hospital Saturday Fund.

## Classification

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- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** People With Disabilities, Other Charities Or Voluntary Bodies

## Geography

- **Area of benefit:** THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, EIRE, THE CHANNEL ISLANDS AND THE ISLE OF MAN
- Ireland
- Malta
- Scotland
- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£34,712,364	£36,196,808	£47,122,528	0
2023-12-31	£31,616,915	£34,257,380	£45,931,383	0
2022-12-31	£31,475,243	£28,541,333	£45,643,763	0
2021-12-31	£31,050,846	£31,428,297	£47,699,838	0
2020-12-31	£31,931,953	£27,551,929	£43,353,303	0

## Trustees

Name	Role	Appointed
<b>JOHN GREENWOOD</b>	Chair	
Cal Healy		2022-03-15
Dr ANNA MARIA ZAMMIT		2024-10-16
JANE LAIDLAW DALTON		
JONATHAN HUGH BROOKE DIAMOND		2026-05-20
James Minett		2025-06-16
LYNN Tomlinson		2024-10-16

**THE HOSPITAL SATURDAY FUND**

England & Wales - Charity number 1123381

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# Accounts

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**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT AND GROUP FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2024**



*Paul Jackson, Group Chief Executive, Jane Dalton, Vice Chair, Glyn Tomlinson, GMC Member, Lynn Richards-Cole, Trustee, The Hospital Saturday Fund, presented €13,500 to Joseph Stafrace, Founder, Service Dogs Malta Foundation, alongside the dog trainers and service users. The grant will go towards funding more service dogs for people with disabilities in Malta and expenses for dog food, dog medical expenses, neutering, and marketing.*

UK Registered Company Number: 6039284  
UK Registered Charity Number: 1123381  
Ireland Registered Charity Number: 20104528

**THE HOSPITAL SATURDAY FUND**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2024**

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**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES**

**YEAR ENDED 31 DECEMBER 2024**

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**OFFICERS AND ADVISERS**

<i>Chair</i>	Mr J Greenwood
<i>Vice Chair</i>	Mrs J L Dalton LLB (Hons)
<i>Other Trustees</i>	Mr M Davies Mr D.Fox Mr C Healy Mr J Randel ( resigned 16 October 2024) Mrs. L Richards-Cole ACII (appointed 16 October 2024) Mrs M Rogers (resigned 25 May 2024) Mr D Thomas Dr Anna Maria Zammit (appointed 16 October 2024)
<i>Group Chief Executive</i>	Mr P W Jackson MSc BA (Hons) DChA
<i>Company Secretary</i>	Mrs Pauline Jones CertPFS
<i>Patron</i>	Ms L Garrett CBE FRAM
<i>Principal Bankers</i>	HSBC Bank Plc, London Commercial Banking Centre, Level 6, 71 Queen Victoria Street, London, WC2R 1DJ
<i>Solicitors</i>	Joelson Law (UK) 2 Marylebone Road, London, NW1 4DF
<i>Independent Auditor</i>	MHA 6 <sup>th</sup> Floor, 2 London Wall Place London EC2Y 5AU
<i>Investment Managers</i>	LGT Wealth Management UK LLP 14 Cornhill London EC3V 3NR
<i>Registered Office</i>	24 Upper Ground LONDON SE1 9PD  Telephone: 020 7202 1365 Fax: 020 7928 0446 Email: <a href="mailto:charity@hsf.eu.com">charity@hsf.eu.com</a>

**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES**

**YEAR ENDED 31 DECEMBER 2024**

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The Board of Trustees is pleased to present the 16<sup>th</sup> Annual Report comprised of the Report of the Board of Trustees and Strategic Report and the audited financial statements for the year ended 31 December 2024.

**STRATEGIC REPORT**

**Summary**

The Hospital Saturday Fund has been helping people in times of illness or medical need since 15 June 1873. In those days there was no NHS and very little government aid for those who needed it most. This led the Victorian social reformer, the Twelfth Earl of Meath, and others to establish The Hospital Saturday Fund to give working people an opportunity to contribute to the costs of running their local hospitals, so named because Saturday was the traditional pay-day when people were more likely to have a few pennies to spare. Over the years leading to the formation of the NHS in 1948, HSF gradually became a health cash plan but maintained its charitable support for hospitals and medical charities.

The Hospital Saturday Fund is now a grant-making charity which donates to medically associated charities for care and research, and to some individuals with health problems throughout the UK and Ireland. The Hospital Saturday Fund is also the parent of three trading subsidiaries The HSF health plan Ltd, HSF health plan Malta Ltd & HSF Assist Ltd which generate the income from their trading activity to fund the grant-making. HSF health plan Ltd is a company limited by guarantee which provides a range of health cash plan schemes throughout the United Kingdom and the Republic of Ireland. HSF health plan Malta markets health cash plan schemes in Malta. HSF Assist Ltd provides an employee support telephone service to corporate clients.

**Services Agreement**

A Services Agreement between the Charitable Company and HSF health plan Limited has been entered into so that staff and resources will be provided to the Charitable Company by the Trading Company.

**OBJECTIVES AND ACTIVITIES**

**Charitable Objects**

The Charitable Company's principal objects as set out in its Memorandum of Association are:

"the relief of sickness and suffering and giving of help to those who are aged, infirm, unemployed or in need and who require Medical Relief as hereinafter defined or who are pregnant and for the promotion of medical research for the benefit of the public in the United Kingdom of Great Britain and Northern Ireland, Eire, the Channel Islands, the Isle of Man and Malta."

**Impact**

The Trustees of the Charitable Company are aware of their duties under the Charities Act in regard to public benefit. Each Trustee is aware of the general public benefit guidance from the Charity Commission. They aim to discharge that trust by making grants to a great number of medical charities which benefit a wide section of the general public in both the United Kingdom and Ireland. The Board has set in place monitoring and evaluation procedures to review the impact of the work to ensure the aims of the Charitable Company are being met. The trading activities of the subsidiary companies enable The Hospital Saturday Fund to continue its charitable activities.

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR**

The Grant Making Committee continued to operate with the knowledge that however 'deserving' some charities and individuals appeared in their applications, there was not enough money to respond to each one and careful, fair and responsible decisions had to be made. This care was demonstrated in the time taken to examine applications on behalf of individuals and the submissions from charities and by responding as fairly as possible.

**Grants made in the year**

During 2024, HSF processed 1,148 applications on behalf of individuals and, after careful assessment by the Grant Making Committee, 500 were awarded a grant making a total of £395,028 (2023: £391,282) for the year. A further total of £1,845,683 (2023: £1,851,335) was awarded to 549 medical charities, hospices and hospitals including the special medical school grant. The following pages show a chart and table analysing the grants made in the year by type and by geographical spread. Following these charts are examples of the feedback received from recipients which emphasise the public benefit achieved by the grants.

**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2024**

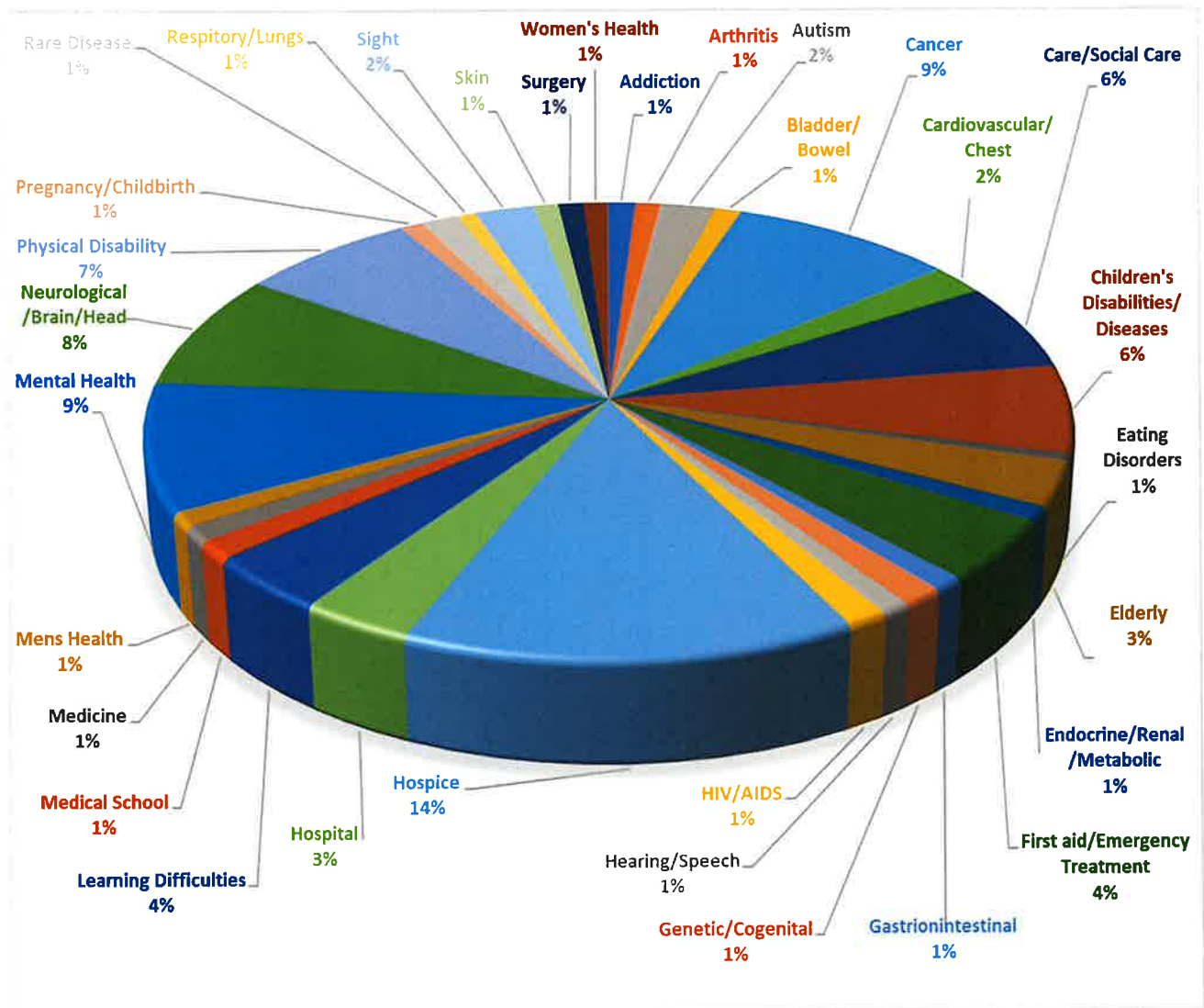
**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

**Annual Receptions**

The Board endeavours to hold a Reception each year in order to present grants in person to representatives of medical charities, hospices and hospitals. The Trustees held a reception at the City Chambers in Glasgow on 29 February 2024. A total of £110,000 was donated on that evening to Twenty-five charities based in Scotland. The event was hosted by Councillor Jacqueline McLaren, the Lord Provost of Glasgow, Vice-President of The Hospital Saturday Fund who attended the reception and presented the grants.

The Trustees also held a charity reception in Cork, Ireland. The reception took place on 21 November 2024 in the Aula Maxima, Cork, hosted by University College Cork. A total of €131,000 was donated on that evening to 28 charities based in Munster. Councillor Terry Coleman, Deputy Lord Mayor of Cork and Ms Lesley Garrett, our Patron attended the reception and presented the grants.

The following pie chart shows grants awarded by type of charity for the year ended 31 December 2024



The vast majority of grants awarded were for £2,000 (or €3,000), with 32 lesser donations being made. During 2024, 517 higher grants ranging between £2,000 and £10,000 (or €3,000 and €13,500) were awarded to charities where a specific need was deemed by the Committee to warrant a larger award.

**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

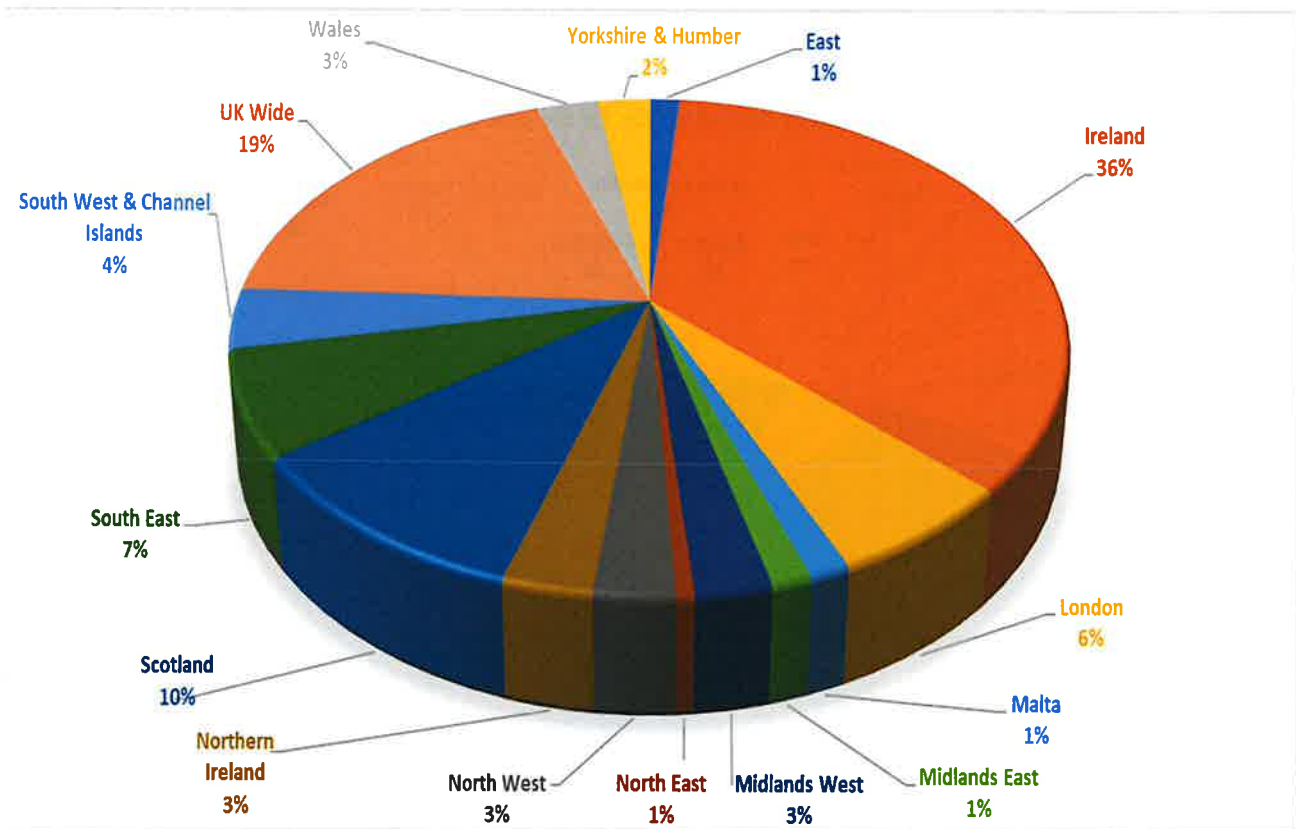
**YEAR ENDED 31 DECEMBER 2024**

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

The Committee endeavours to ensure that not only is there a wide geographical spread within the grant making but, within the charities supported, there are many different types of illness, disability, care, research and age groups represented.

Further details of the grants given can be found in Note 8 of the accounts on page 33.

Grants are made to both local and national institutions. The following pie chart shows grants awarded by region for the year ended 31 December 2024.



Organisations receiving grants ranged from Quarriers, Down’s Syndrome Scotland, Heart of Kent Hospice, Ambitious about Autism, Air Ambulance Northern Ireland, Swansea University, St Michaels House Foundation, Sigma Foundation, Brittle Bone Society, Leukaemia UK, Irish Heart Foundation, University of Dundee (Medical School), Beatson Cancer Charity, Popham Kidney Support, Doctors in Distress, Aspire Ireland, Charis Cancer Care, Hearing Dogs for Deaf People, Extern Ireland, Henshaws Society for Blind People, Migraine Trust, Blood Cancer UK, Popham Kidney Support, Chest Heart & Stroke Scotland, Southern Area Hospice Services, Vision Ireland, St Clare Hospice.

Grants to hospitals were for specific projects, equipment or designated charitable funds.

**Fund Raising**

The Group does not fundraise externally or use any professional fundraiser or any commercial participator in raising its funds.

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

**Evaluation process**

In meeting the Charities Act requirement to demonstrate public benefit through the grant making process, Trustees consider not only the recipient charities and their applications but also the impact the past awards have had. As such, the Trustees ensure that feedback from recipients is obtained where possible and reviewed for evidence of the grant being used for its correct purpose. In fact, the Trustees commissioned an independent review of the Charity's grant making process. The review was carried out by a MSc Student from Centre for Charity Effectiveness, Bayes Business School, City University of London. The review was extremely positive, and the Trustees discussed the report's recommendations at their Board meeting on 25 March 2024. This review forms part of a series of reviews which have been carried out over the past few years on this area.

Condensed versions of updates received from grantees are available on our website: <https://www.hospitalsaturdayfund.org/news-archive>. Amongst others, updates on the website relating to work supported by The Hospital Saturday Fund in 2024 refer to:

- Towards the first biomedical research resource dedicated to storing samples of cancers in children & young people (Blood Cancer UK)
- To provide a lift to increase capacity of IWA Dundalk Life Skills Programme (St Wilfrid's Hospice Eastbourne)
- to provide opportunities for adults with down syndrome ongoing learning allowing them to access paid, work (Down Syndrome Ireland)
- Funding the Assistance Dog Training Programme (Dogs for Good)
- Towards the Asthma Awareness Project in Edinburgh/Galashiels schools (Asthma and Allergy Foundation)
- Replacing ceiling track hoists (Enable Ireland)
- Purchasing an Oxygen Generation Unit (Suffolk Oxygen Therapy Centre)
- Medical Electives for undergraduate medical students (University of Plymouth)
- Towards the construction of a new annex to be used for the Equestrian Assisted Learning programmes (Sigma Foundation, Malta)
- A 3D Bioface Mechanical Performance Improvement of Bioprinted Cartilage Constructs (University of Swansea)
- A Lacsure milk management machine for the Neonatal Intensive Care Unit (Galway Sick Kids Foundation)
- Towards physiotherapy services (Zoe's Place Baby Hospice)
- Providing physiotherapy and exercise services for people with MS (Revive MS Support)
- Towards new training monitors that simulate medical emergencies (Air Ambulance Charity Kent Surrey Sussex)
- Home from Home' accommodation & support for families with a sick child in hospital (Sick Children's Trust)
- A grant towards a Search and Rescue Ambulance (Severn Area Rescue Association (SARA))
- Funding towards profile beds and showering equipment for disabled children (Bendrigg Trust)
- To help fund an essential bed, mattress & pump replacement system (St Elizabeth Hospice)
- Towards expanding the Cardiac Rehab service (Fit for Me Cardiac Rehab)
- Funding for specialised sports wheelchairs, equipment, and training sessions (Ospreys Wheelchair Rugby Club)
- Part-funding of a Research Nurse at The Royal Marsden Hospital (Cure Leukaemia)
- Towards investing in research, raising awareness and understanding of sepsis. (Sepsis Research FEAT)

In addition, The Hospital Saturday Fund receives many letters of appreciation from grantees. The following are quotations taken from letters sent to the Charity following grants being awarded to each:

**London's Air Ambulance Charity**

*Thank you for your kind donation of £2,000 to London's Air Ambulance Charity's Up Against Time Appeal. Your donation means we can protect our service - treating an estimated 25,000 patients over the next 15 years, based on historical mission data for our helicopters and cars. Your kind donation means that we can continue to be here, 365 days a year, for the patients who need us the most. Thank you.*



**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2024**

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**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

**Irish Guide Dogs for the Blind**

*Through your collective support, several families will enjoy Christmas this year because of the addition of a life-changing dog to their homes. There is no doubt that your support in 2024, whether through volunteering for fundraising, puppy raising, temporary boarding or raising awareness for our work, has had a profound and far-reaching impact in many, many ways. Thank you for your ongoing commitment and support. We truly couldn't make such a meaningful difference in the lives of so many across the country without you—our community of clients, volunteers, and supporters.*



**Sensational Kids**

*On behalf of Sensational Kids, I would like to extend our sincere gratitude once again for the generous grant of €2,948.47 provided by The Hospital Saturday Fund earlier this year. Your support has made a significant impact on our Early Childhood Intervention Programmes, allowing us to acquire essential resources, namely REEL-4, GFTA-3 and TVPS-4 assessment tools for our centres. Thanks to this funding, we have been able to enhance the quality of care and assessments provided to children with speech, language and perceptual challenges. The tools have empowered our team to conduct more comprehensive evaluations and develop tailored intervention plans, greatly improving outcomes for the children and families we serve.*



**Irish Heart Foundation**

*Once again, we would like to express our heartfelt gratitude for the generous funding of €13,500 you awarded. Thanks to your generosity, we have made significant strides in improving the safety and preparedness of our in-person stroke support groups and events for stroke survivors. Your funding allowed us to purchase critical resources, including AEDs (Automated External Defibrillators) and First Aid Kits, and to provide First Aid training to 37 individuals—21 volunteers and 16 staff members. On behalf of everyone at the Irish Heart Foundation and the communities we serve, we extend our deepest gratitude for your generosity and belief in our mission. Your contribution has made a tangible and lasting impact, ensuring the safety and well-being of so many.*



**Migraine Trust**

*Thank you and all at The Hospital Saturday Fund for your generous grant of £10,000 towards increasing the capacity of our helpline service to aid more individuals living with migraine. We are extremely grateful for your ongoing support, as we continue to help people with migraine across the UK. Recent data has demonstrated that nearly 90% of migraine patients feel they must manage their condition themselves, only 50% of people feel that their migraine is effectively managed and a shocking one in five people are waiting for five years before they seek medical help from their GP. Additionally, we are now seeing an increase in the number of longer and more emotional calls to our helpline due to the impact of migraine on the caller's mental health. We are determined to change this and help everyone with migraine to receive the treatment and care that enables them to have the quality of life they deserve. With many thanks once again for your very generous gift.*



**Mummy's Star**

*Thank you so much to the Hospital Saturday Fund for your generous grant towards Mummy's Star's work with pregnant or new mums who have been diagnosed with incurable or terminal cancer. In the last 6 months, 70 mums have benefited from one-to-one emotional support, practical advice, and help with things like making wills or recording funeral preferences, access to our specialist online information, resources, and forums, as well as memory-making resources.*



## REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2024

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### PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Individuals have also expressed their gratitude and there are extracts from letters below:

#### Physiotherapy Treatment

*We can't thank you enough for what the physiotherapy sessions have done for our daughter and our family. Words cannot express how thankful we are for the grant. The grant has been a huge help, enables our daughter to access additional physiotherapy sessions she needs. What a difference you are making to the lives of those who need it most! Truly amazing. We wholeheartedly appreciate all of your help and support. It means more than we can say! We will always remember your kindness and support! - Parent of Individual Grant Recipient*



#### Lightweight Wheelchair and Power Attachment

*Thank you for everything you all do to help people like me. The work you have all done to help has genuinely changed my life for the better, and for the first time in a long time I feel hopeful about my future, and I know that having the right equipment will help me for years to come. I feel able to engage in more social events and am looking forward to hopefully starting university next September to study Photography! I am just waiting for an interview date, so I'm keeping my fingers crossed! – Individual Grant Recipient*



#### A Gantry Hoist

*On behalf of us all at Children Today I would like to thank you for your kind recent donation of £1,000. Your donation will be used towards helping fund a portable hoist, this is vital adapted equipment he needs. Each piece of equipment we help fund not only helps improve a child's physical well-being but also gives them more independence, feel less isolated, and helps them and their family experience a better quality of life. Together we are making a real difference to their lives. Once again, on behalf of the families we help every day thank you for your much-needed and valued support. – Supporter, Children Today*



#### Speech and Language Therapy

*I'm writing to thank you for your decision to grant funding to Vega and her wonderful family. The £990 will contribute to Vega's speech therapy where she continues to make real progress! I know the family would want me to thank you for your kindness and generosity, they and I truly appreciate your support. Supporter: Revd V Green*



#### Dietz Sango Powerchair

*Since receiving the wheelchair, We have been adjusting to the controls, and while it may take us some time to fully get the hang of it, I can't begin to describe the joy and sense of freedom it has brought him. The smile on his face as he explores the world around him is simply priceless. - Parent of Individual Grant Recipient*

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PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

**Occupational Therapy with Pets**

*Thank you so so much! I've just got off the phone with Keith and he is absolutely thrilled and looking forward to starting work with this specialist therapist. It is going to be incredibly meaningful and helpful for him. Supporter- Occupational Therapist*

**Lightweight Hoggi Swingbo VTi Wheelchair**

*Thank you so much from Leon and his family. He is absolutely delighted with his new chair, and he went into school very happy this morning to show it off. This will have such a positive impact on this young man's life enabling some beautiful independence moving forward. - Supporter, Combined Healthcare NHS Trust*

**Post-operative rehabilitation physiotherapy**

*Firstly, thank you so very much for awarding such a generous amount to my daughter. As a family, we are very grateful for this donation and will really push Boronica post SDR (Selective Dorsal Rhizotomy) to ensure we maximise her potential in the 2-year rehabilitation period. - Parent of Individual Grant Recipient*



*Twenty-five Scottish charities received grants at the City Chambers, in Glasgow. £110,000 was donated to medical charities and organisations. The Lord Provost of Glasgow, Councilor Jacqueline McLaren, hosted the reception and presented the grants.*

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2024**

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**FINANCIAL REVIEW**

**State of affairs**

The Group Statement of Financial Activities for the year is set out on page 22 and shows net outgoing resources before investment gains and losses for the year of £1,484,444, (2023 outgoing resources of £2,640,466). Net movement in funds for the year amounted to gains of £1,190,950, after investment gains of £3,227,361 resulted in a net asset position as at 31 December 2024 of £47,122,334 (2023: £45,931,384). Of these funds, £25,558,022 (2023: £25,458,256) is represented by the net assets of the trading subsidiary.

The trading company HSF health plan Ltd's total profit for the year was £2,323,893 (2023: £638,446). Total premiums (less Insurance Premium Tax) for the year were £33,582,224. Benefits payable (including Personal Accident premiums and helplines) for the year were £24,423,987 and represented 72.7% of premium income. The Directors consider the overall state of affairs to be satisfactory.

The trading company HSF Assist Ltd's total profit for the year was £25,488 (2023: £32,609). Total income for the year was £52,993 (2023: £53,097). The Directors consider the overall state of affairs to be satisfactory.

For the charity alone, total income for the year amounted to £3,343,451 (2023: £1,582,809) including gift aid from the subsidiary companies of £2,105,109 (2023: £10,228). Grants totalling £2,035,613 (2023: £2,415,657) were made during the year. After charging the grants and crediting the gift aid payment and realised and unrealised investment gains the endowment fund increased by £646,523 to £18,489,693.

The Trustees are satisfied with the net asset position of the group at the year end and are confident that sufficient funds will be available to meet the future needs of the Charitable Company.

**Reserves Policy**

The Trustees have established a policy for retaining reserves both in light of the risks the charitable group faces and the Trustees' strategic priorities for their grant making activities. In essence the principal purpose of the reserves are to provide a capital base from which income would be earned to finance the grant making activities. The Trustees' reserve policy is to maintain an expendable endowment at a level of no less than £5m and no greater than £25m, this is to ensure a prudent approach to the risks faced by the Charity and also to ensure the continued level of the Charity's grant-making. This approach has been put in place by the Trustees to avoid the situation where its annual grant-making is reduced or ceases, if the Charity fails to receive a Gift Aid donation from its Trading Subsidiary for a number of years. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances; however, these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees. The charity received large gift aid donations in 2021 & 2022 for the profits made by the trading subsidiary HSF health plan Ltd in the trading years of 2020 & 2021, which was due to the exceptional circumstances that have resulted from the Covid-19 pandemic. However, given we are forecasting that the long-lasting effect of the pandemic and also now the effect of the current inflation situation will likely result in quite low gift-aid donations over the next three years, also as the two largest of the three trading subsidiaries have committed to upgrading its Policyholder Database to improve the level of service provided to their customers, the Trustees are not expecting a large increase in the grant making as a result of the 2020 and 2021 gift aid. Therefore, this will be used to fund the next three years' grant making.

The charity plans carefully to ensure that it budgets in accordance with expected income flows but inevitably short-term fluctuations can occur. In light of this policy residual free reserves will be held at a level sufficient to cover the operational working capital needs of the charity and to provide for short term fluctuations in either falls in investment income year on year, and/or falls in profitability of the trading subsidiary. For clarity trading reserves have been separated from free charitable funds.

At the end of the year free reserves totalled £3,074,621. Although this is a small increase in the level compared with last year of £2,629,958. The Trustees, having reviewed their strategy, are satisfied that the policy is appropriate and satisfied with the level of free reserves. An external review had been carried out in 2019 by a City of London University student, who found our current Reserves Policy is fit for purpose. The policy is reviewed annually by the Board of Trustees to ensure its continuation or to review if there are any required changes to the policy or reserves held and this was approved at the November 2024 Board meeting.

The trading subsidiary HSF health plan Ltd holds reserves of £22,024,691 (2023: £21,766,331) and the trading subsidiary HSF health plan (Malta) Ltd holds reserves of £3,811,238 (2023: £3,164,898). The trading subsidiaries requires reserves of this level to meet its Solvency II requirements as an insurance provider.

**THE HOSPITAL SATURDAY FUND  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2024**

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**Principal Risks and Risk Assessment**

The Board of The Hospital Saturday Fund regularly assesses the risks to which the Charity is exposed. It agrees how best these risks may be mitigated and the Charity takes the appropriate action to manage these risks. The risks and associated mitigations are all recorded on the organisation's risk register.

The Charitable Company's principal risks are the inability of the investment portfolio to generate income, the failure of its Trading Subsidiary to generate sufficient profits, which support the Charity's annual grant-making and the withdrawal of the UK from the EU and the potential impact on the way the charity is able to operate in the Republic of Ireland. All of these principal risks along with others are monitored closely and where possible control and mitigating action plans are put in place and these are monitored quarterly by the Boards.

The Risk & Compliance Committee of the Charitable Company's Trading Subsidiary monitor the Company's risk exposure in all areas including investment, operational, financial, human resources, sales and business continuity, with the Committees also monitoring their own areas of risk as well. It advises the Board on risk management and policy, while it also keeps under review the effectiveness of these areas. The Chief Risk Officer (CRO) is the Executive Director accountable for enabling the efficient and effective governance of significant risks, and related opportunities, for the Trading Company and this role is the responsibility of the Managing Director. The Chief Risk Officer reports to the Risk & Compliance Committee quarterly to assist the committee with actively monitoring the risks and ensure the controls and appropriate monitoring systems are in place, the CRO is also accountable to the Board of Directors.

The Trading Company has produced various risk registers for the different parts of the business and these are kept under constant review by the various Committees and Board to manage and mitigate risks. Risk & Compliance Committee meet regularly to review and monitor these and reports to the Board. The Board are satisfied with the Risk management policies and procedures in place.

The main activity of the Trading Company is operator of a medical cash plan and with this business activity, comes the need to take risk. We monitor the profitability of schemes and the claims data regularly, taking action when required and deemed necessary. The scheme premiums are rated on detailed analysis of historic claims data. Under the insurers regulatory regime, we also consider and diligently monitor a wide range of other risk including market, liquidity, interest rate, insurance, operational, concentration, climate among others, this is done by regular consideration of the ORSA (Own Risk and Solvency Assessment), further information on some of these risks can be found in Note 21 and Note 22 of this document.

**Solvency II**

The Solvency II regime, which came into effect on 1 January 2016, has continued throughout 2024. The most significant requirement under Solvency II is the submission to the Prudential Regulatory Authority (PRA) on a regular basis (usually annually) of the Own Risks and Solvency Assessment (ORSA), following approval of the Board. The ORSA was approved at the Board meeting in September 2024 and was subsequently submitted to the PRA. The Board will continue to monitor this activity and ensure the company continues to satisfy their solvency requirements.

**Investments & Investment Policy**

Under the Memorandum and Articles of Association, the Trustees of the Charitable Company have the power to make any investments which the Trustees see fit.

The Trading Company's Investment Policy is linked to the Prudential Regulation Authority solvency requirements. Its Investment Policy reflects a low to medium risk profile, which is similar to that of the overall Charitable Group. The Charitable Company's portfolio produced a net gain of £3,389,724 on the investments held. Both the Trading Company's & Charitable Company's Investment Policies are reviewed annually by the Charitable Company's Investment Committee.

The Charitable Company follows a composite benchmark of a weighted index of the markets represented within the adopted asset allocation, i.e. the index relating to the specific asset class is multiplied by the percentage, which that particular asset class represents of the whole portfolio, and then these are added together to create the composite benchmark.

The Charitable Company's investment performance in the year out performed the benchmark by 0.5% with the portfolio performance figure of 11.6% against a benchmark of 11.1%. The investment policy adopted by the Charitable Company is a long-term policy which covers a 10 year time horizon but due to the investment policy switch to Abrdn which took place in January 2022 we are only able to measure the performance since the inception of the portfolio with Abrdn.

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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2024**

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The Charitable Company's ethical investment policy is that no investment may be made in any company that derives any of its income from tobacco manufacturing or earns more than 10% from tobacco related products. To further enhance the Charitable Company's ethical investment policy all holdings in the portfolio held with LGT Wealth are held in Socially Responsible and Sustainable Strategy. Since April 2018, the strategy invests in companies that are exhibiting a highly sustainable approach to their business looking at environmental, social and governance criteria. This investment strategy was introduced when working with UBS and has continue under Abrdn / LGT Wealth.

**Remuneration policy**

The Board of Trustees is satisfied that the Trading Subsidiary's staff salaries are benchmarked against market levels, using salary surveys and job comparison searches obtained from reputable recruitment agencies. The Trading Subsidiary's Human Resources Committee monitor and review on an annual basis.

**Post Brexit – Third country branch**

To maintain our long-standing provision of service in the Republic of Ireland (ROI), since 1949, the Board of Directors and Senior Leadership Team, in consultation with their advisors, liaised closely with the Central Bank of Ireland (CBI) to continue trading in ROI following the conclusion of the transition period on 31<sup>st</sup> January 2020. On the 4<sup>th</sup> of January 2021 the CBI issued the company with a letter and certificate of authorisation confirming the company's status in Ireland as a Branch in the state of a Third Country Insurance Undertaking. The company has operated under these new regulatory arrangements throughout 2024.

**FUTURE PLANS**

The Trustees hold a Reception each year in order to present grants in person to representatives of medical charities, hospices and hospitals. One such event was hosted at the Mansion House in Dublin on 27 February 2025. Twenty-six charities were presented with grants on this occasion and the event was hosted by Emma Blain, the Lord Mayor of Dublin, Vice-President of The Hospital Saturday Fund.

In 2025, it is expected that grants awarded to medical charities, hospitals and hospices will be in the region of £2,350,000 and recipients are already receiving funds. This will be even more appreciated as charities experience a decline in funding, generally, during these difficult times.

The Charity relies on the success of its Trading Subsidiaries, HSF Health Plan Ltd, HSF Health Plan (Malta) Ltd and HSF Assist Ltd, not only to maintain but potentially to increase the size of its expendable endowment and therefore to increase the amount of charitable grants. The Trustees look forward to extending their grant making in the long-term resulting in a greater contribution to the work of the medical charity sector.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**The Association**

The Association performs an important role in the overall governance of the Charitable Company and the governing document is the Articles of Association dated 16 October 2019 and amended 16 October 2024. The Members of the Association are responsible for electing the Board and Honorary Officers of the Charitable Company.

The Association comprises up to 100 Members (excluding Honorary Officers) whose services will, in the opinion of the Board, be advantageous to The Hospital Saturday Fund. Appointment is for a period of three years, but renewable. From time to time the Board recommends to the Association that some Members should be elected for their lifetime, in recognition of particular service. The President, Vice Presidents and Life Members of the Association are listed below.

**President**

The Right Honourable The Lord Mayor of London

**Vice-Presidents**

The Right Honourable The Earl of Meath  
The Right Honourable The Lord Mayor of Dublin  
The Right Honourable The Lord Provost of Glasgow  
The Right Honourable The Lord Mayor of Belfast  
Mr K R Bradley MCMI

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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2024**

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**Life Members of the Association** Mr. K Lawrey JP LLB MA MSc (Econ) Barrister (Gray's Inn)  
Mrs Natalie Bennett (from 23 May 2024)  
Mr. T A Botly Mr. M J Boyle FCA  
Miss. D O Denton JP Mr. R Dool  
Mr. L I Fellman (deceased 31 October 2024)  
Professor P W Palmer BA(Hons) PhD FCIS FIIA DChA FRSH (from 23 May 2024)  
Mr. A M Rees LLB BA FCIPD Mr. W N Smith

The Association held two General Meetings during the year, the first being the Annual General Meeting which was held on 23 May 2024 at Guildhall, London. The President and Vice Presidents (listed above) were elected. Recognising that some civic offices change hands at times of the year not close to the Fund's AGM, authority was given to the Board to invite the successors of those elected to serve in the appropriate Honorary Officer capacity.

At an Extraordinary General Meeting held on 16 October 2024, Mr John Greenwood was re-elected as Chair of the Association and Board, also at this meeting Mrs Jane Dalton, Mrs Lynn Richards-Cole, and Dr Anna Maria Zammit were elected for a three-year term as Trustees.

**Board of Trustees**

The Board comprises the Chair and seven other Trustees. The Trustees are also Directors of the Charity for the purposes of the Companies Act. The Chief Executive and the Company Secretary attend Board Meetings.

At each Board Meeting, Trustees receive reports from the Board of HSF Health Plan Limited and annually they appoint two Members of the Association, who are not Trustees, to attend the Annual General Meeting of HSF Health Plan Limited with full voting rights.

The Trustees are covered by qualifying third party indemnity insurance, paid by HSF Health Plan Limited, which was in place throughout the year and remains in force at the date of this report.

At each Board Meeting, Trustees receive reports from the Board of HSF Assist Limited and HSF Health Plan (Malta) Ltd. Following the introduction of the Charity Governance Code in July 2017 and further updates in 2020, The Charity has sought to follow the principles throughout its Governance structure and processes.

**Appointment, Induction and Training of the Trustees**

Trustees are appointed to the Charity Board through a nomination and election process by the Members of the Association. They are appointed for a term of office of three years. The Association Members, by virtue of the Articles of Association, decide who serves as Non-Executive Directors of HSF Health Plan Limited and who should serve the Grant Making Committee.

On appointment, all new Trustees receive thorough induction and training, which includes receiving detailed information about the Charity via a Trustee Manual, including its Memorandum and Articles, latest accounts, latest financial reports and minutes of recent Trustees' meetings. In addition, new Trustees attend an induction process at head office, where they are briefed by the Chief Executive and key staff on all aspects of the Charity's operations, staffing and organisation management. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Trustee training is provided by the Charitable Company as required. Trustees are encouraged to attend appropriate external training courses / seminars to enhance their expertise and are required to undertake the Association of Financial Mutuals / Chartered Insurance Institute health cash plan training module which concludes with an examination. Those who serve the trading company are also encouraged to attend external training appropriate for Non-Executive Directors managing an insurance company regulated by the Prudential Regulation Authority.

**Board Responsibilities (including section 172 statement)**

The Board are aware of their responsibilities under Companies Act 2006 Section 172, which confirms that the directors must act in the way they consider to be in utmost good faith and would be most likely to promote the success of the company for the benefit of its Policyholders. They have considered this in light of its particular structure and relationships by having regard (amongst other matters) to the likely long term consequences of any Board decision, acting in the interests of the company's employees, and the need to foster the company's business relationships with suppliers, customers and other key stakeholders. The impact of the company's operations and business activity on the community and the environment, should ensure that the company continues to maintain a strong reputation for high standards of business conduct, noting that the company primarily seeks to generate funds for its parent charity to be applied to its charitable purposes. Relevant aspects of this are noted elsewhere in this report

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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2024**

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**Grant Making Committee, Policies and Procedures**

The Committee meets every quarter and reports directly to the Board. In addition to the two Trustees elected as Chair, Mr Dominic Fox and Vice Chair, Mr Cal Healy, the Committee includes appointed members Mr Andrew Gilbert, Mr Cal Healy, Mr Paul Jackson, Mrs Pauline Jones, Mr Keith Lawrey, Mrs Carol Murphy, Mr Cathal Nolan, Mrs Margaret Rogers (until 25<sup>th</sup> May 2024), Mr Andrew Tee, and Mr Glyn Tomlinson (until 22<sup>nd</sup> January 2025. Mr Fox was elected Chair and Mr Healy was elected Vice Chair of the Grant Making Committee on 21 November 2024

Grants are awarded to national and local medical charities, hospitals and hospices throughout the UK, Ireland and Malta. Grant making guidelines for both individuals and organisations (medical charities, hospices and hospitals) are drawn up and approved by the Board. For individuals this means that applications are only accepted through a third party who has some involvement in the care of the applicant, e.g. doctor, social worker or another charity, and the demonstrated need is required to have a strong medical connection. Hospitals are required to state a particular capital project or charity within their hospital to receive their grant. Detailed guidelines for our grant making policy are available on our website [www.hospitalsaturdayfund.org](http://www.hospitalsaturdayfund.org).

The Grant Making Committee members and Trustees of The Hospital Saturday Fund take the opportunity to visit charities or attend their receptions in order to gain a greater overall knowledge.

**Auditor**

The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

**THE HOSPITAL SATURDAY FUND  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2024**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Report, Strategic Report, and the financial statements in accordance with applicable law and regulations.

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). The Trustees have also applied the basis of preparation FRS102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and FRS103 Insurance Contracts. 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

ON BEHALF OF THE BOARD ON 22<sup>nd</sup> April 2025



JOHN GREENWOOD  
Chair



JANE DALTON  
Vice-Chair

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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For the purpose of this report, the terms “we” and “our” denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of The Hospital Saturday Fund. For the purposes of the table on pages 16 to 17 that sets out the key audit matters and how our audit addressed the key audit matters, the terms “we” and “our” refer to MHA. The Group financial statements, as defined below, consolidate the accounts of The Hospital Saturday Fund and its subsidiaries (the “Group”). The “Parent Charitable Company” is defined as The Hospital Saturday Fund, as an individual entity. The relevant legislation governing the Parent Charitable Company is the United Kingdom Companies Act 2006 (“Companies Act 2006”).

**Opinion**

We have audited the financial statements of The Hospital Saturday Fund for the year ended 31 December 2024.

The financial statements that we have audited comprise:

- the Consolidated Income Statement
- the Consolidated Statement of Financial Activities
- the Group and Charity Balance Sheets
- the Consolidated Statement of Cash Flows
- Notes 1 to 24 to the consolidated financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group and Parent Charitable Company's financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and Financial Reporting Standard 103 Insurance Contracts (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 of the Parent Charitable Company's affairs as at 31 December 4and the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, and we have fulfilled our ethical responsibilities in accordance with those 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' (who are also the directors of the Parent Charitable Company for the purposes of company law) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Trustees' assessment of the Group's and the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Group and the Parent Charitable Company's operations and specifically their business model for the provision of health cash plans and for the Parent Charitable Company as a grant-making charity.
- The evaluation of how those risks might impact on the available financial resources.
- Where additional resources may be required, the reasonableness and practicality of the assumptions made by the Trustees when assessing the probability and likelihood of those resources becoming available.
- Solvency considerations including review of insurance provisions as at the year-end.
- Review of the Company's Own Risk and Solvency Assessment returns and associated solvency risk considerations.
- Viability assessments at Group and Parent Charitable Company levels, including consideration of reserve policies, business plans, budgets and forecasts.

**THE HOSPITAL SATURDAY FUND  
YEAR END 31 DECEMBER 2024**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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 and 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.

**Overview of our audit approach**

**Scope** Our audit was scoped by obtaining an understanding of the Group, including the Parent Charitable Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Trustees that may have represented a risk of material misstatement.

We, and our component auditors acting on specific group instructions, undertook full scope audits on the complete financial information of all three components.

<b>Materiality</b>	<b>2024</b>	<b>2023</b>	
<b>Group</b>	£1,413,600	£1,377,900	3% (2023: 3%) of net assets
<b>Parent Charitable Company</b>	£1,377,900	£1,195,100	3% (2023: 3%) of net assets

**Key audit matters**

**Recurring** • Estimates of provisions for outstanding claims (Group only)

**Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND

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**Estimates of provision for outstanding claims liabilities**

<b>Key audit matter description</b>	As described in accounting policy 1p, provisions are made at the year-end for the estimated costs of claims incurred, but not settled, at the balance sheet date, including the cost of claims incurred but not yet reported. This assessment requires judgements due to the use assumptions to determine the likely outcome of claims made in the future, which gives rise to estimation uncertainty. It is considered a key area of focus for the audit due to the material value of the provision.
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<b>How the scope of our audit responded to the key audit matter</b>	We undertook the following procedures to verify the estimates of provision for outstanding claims liabilities: <ul style="list-style-type: none"><li>• We reviewed the methodology developed by management to estimate the outstanding claims and Incurred But Not Reported (“IBNR”) provision as at the year end for reasonableness including an assessment of any changes in the methodology during the year.</li><li>• We performed an assessment of the outstanding claims at year end on a sample basis.</li><li>• We assessed the reasonableness of the IBNR estimate at year end by<ul style="list-style-type: none"><li>○ Comparing the historic provision estimates against recent actual results to establish reliability of the historical claims patterns;</li><li>○ Testing the provisioning model including the data feeding into the model; and</li><li>○ Comparing the IBNR to post year end claims experience to date.</li></ul></li><li>• To test cut off, we reviewed a sample of claims received pre and post year end; and</li><li>• We reviewed the accounting policy for compliance with FRS 102 and FRS 103 and tested the disclosures in the financial statements.</li></ul>
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<b>Key observations communicated to the Group’s Board of Trustees</b>	Nothing has come to our attention that indicates the value of the provision for outstanding claims is not within an acceptable range and has not been recorded and classified appropriately. We conclude that it is consistent with financial reporting standards.
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**Our application of materiality**

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Group was set at £1,413,600 (2023: £1,377,900) which was determined on the basis of 3% (2023: 3%) of the Group’s net assets. Materiality in respect of the Parent Charitable Company was set at £1,377,900 (2023: £1,195,000), determined on the basis of 3% (2023: 3%) of the Parent Charitable Company’s net assets. Net assets were deemed to be the appropriate benchmark for the calculation of materiality as this is a key area of the financial statements with which the users of the financial statements are principally concerned, and is also the most appropriate measure for understanding the solvency of the entity.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Group was set at £1,201,600 (2023: £1,171,200) and at £1,171,200 (2023: £1,015,800) for the Parent Charitable Company which represents 85% (2023: 85%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding £70,600 (2023: £68,800) and £68,800 (2023: £59,700) in respect of the Group and Parent Charitable Company respectively to the Board of Trustees as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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**Overview of the scope of the Group and Parent Charitable Company audits**

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

**The scope of our audit**

In addition to the parent charitable company, the group consists of 3 reporting components.

- HSF health plan Limited
- HSF Assist Limited
- HSF health plan (Malta) Limited

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, of the 3 reporting components of the group, we identified all 3 components in the UK or Europe which represent the principal business units within the Group.

**Full Scope audits:** HSF health plan Limited and HSF Assist Limited were considered to be significant components of the Group. All significant components were subjected to full scope audits for the purposes of our audit report on the Group financial statements.

The group audit team performed the audit of all significant subsidiaries of the group.

**Specified procedures:** HSF health plan Malta Limited was not considered to be a significant subsidiary of the group. In order to obtain an appropriate level of audit evidence in respect of these transactions and balances, we instructed component auditors to perform specific procedures focussing on the areas where we identified a heightened risk of material misstatement.

We reviewed the reports and working papers prepared by the component auditors. Where appropriate, we challenged the judgements and conclusions made by the component auditors. As part of our direction of their work we also had regular interactions with them to discuss the nature and progress of their work including any issues arising from their work.

**The control environment**

We evaluated the design and implementation of those internal controls of the Group, including the Parent Charitable Company, which are relevant to our audit, such as those relating to the financial reporting cycle.

**Climate-related risks**

In planning our audit and gaining an understanding of the Group and Parent Charitable Company, we considered the potential impact of climate-related risks on the business and its financial statements. We have concluded that climate-related risks are not material to these financial statements, specifically with regards to the portfolio of investments held and claims provisions, owing to the short tail nature of insurance operations.

**Reporting on 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND

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**Strategic report and Report of the Board of Trustees**

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

- the information given in the Report of the Board of Trustees, which includes the Strategic report and the Directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report included within the Report of the Board of Trustees have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Report of the Board of Trustees.

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received by branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Parent 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 and the 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND

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**Identifying and assessing potential risks arising from irregularities, including fraud**

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Group's, including the Parent Charitable Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the Trustees, we obtained an understanding of the legal and regulatory frameworks applicable to the Company focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, Charities Act, regulatory and supervisory requirements of the Financial Conduct Authority (FCA), Prudential Regulatory Authority (PRA) and UK tax legislation or those that had a fundamental effect on the operations of the Group.
- We enquired about the existence of, and investigated the findings of, any communication with regulators that had occurred during the year.
- Legal and professional expenditures were reviewed for any instances of any legal or regulatory communication or payments which had not been disclosed.
- We enquired of the Trustees and management including the Audit and Finance Committee concerning the Group's and the Parent Charitable Company's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates particularly in determining expected insurance claim losses.
- The group engagement team shared this risk assessment with the component auditors of significant subsidiaries so that they could include appropriate audit procedures in response to such risks in their work.

**Audit response to risks identified**

In respect of the above procedures:

- We corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Charitable Company's Board of Trustees, and Audit & Finance committee meetings, inspection of legal and regulatory correspondence and correspondences from the regulators the PRA and the FCA;
- audit procedures performed by the engagement team in connection with the risks identified included:
  - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
  - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
  - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
  - enquiry of management around actual and potential litigation and claims.
  - challenging the assumptions and judgements made by management in its significant accounting estimates, and
  - obtaining confirmations from third parties to confirm existence of a sample of balances for cash at bank and investment valuations.
- the Group and the Parent Charitable Company operate in a highly regulated insurance industry. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and the component auditors and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**Other requirements**

We were appointed by the Directors on 29 November 2019. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 6 years, initially under the legal entity MacIntyre Hudson LLP and subsequently under MHA Audit Services LLP.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Company, and we remain independent of the company in conducting our audit.

**Use of our report**

This report is made solely to the Parent Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Charitable Company and the Parent Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Sudhir Singh FCA (Senior Statutory Auditor)**

for and on behalf of

**MHA**

Statutory Auditor

London, United Kingdom

Date: 30 April 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

**THE HOSPITAL SATURDAY FUND**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024		2023	
		£	£	£	£
<b>TECHNICAL ACCOUNT GENERAL BUSINESS</b>					
Earned premiums					
Gross premiums written	2	33,800,417		30,664,490	
Change in the gross provision for unearned premiums		(87,036)		(74,233)	
		<u>                    </u>		<u>                    </u>	
Gross premiums earned			33,713,381		30,590,257
			<u>                    </u>		<u>                    </u>
Net premiums earned			33,713,381		30,590,257
<b>Claims incurred</b>					
Gross claims paid	20	(24,658,571)		(23,295,261)	
Change in the gross provision for claims outstanding		199,307		(143,771)	
		<u>                    </u>		<u>                    </u>	
			(24,459,264)		(23,439,032)
<b>Net operating expenses</b>			(9,434,555)		(8,323,593)
			<u>                    </u>		<u>                    </u>
<b>Balance on the technical account for general business</b>			(180,438)		(1,172,368)
			<u>                    </u>		<u>                    </u>
<b>NON-TECHNICAL ACCOUNT</b>					
<b>Investment income</b>					
Income from other financial investments	3	958,202		954,172	
Interest receivable	3	30,305		18,565	
Realised (losses) - other financial investments	10	(551,967)		(380,426)	
Unrealised gains - other financial investments	10	3,227,361		3,308,511	
Investment expenses and charges		(274,177)		(258,247)	
		<u>                    </u>		<u>                    </u>	
			3,389,724		3,642,575
<b>Other income</b>					
Donations and legacies received		10,476		825	
Net income from trading activities		-		279,754	
Other charges – charitable activities		(2,035,613)		(2,355,395)	
		<u>                    </u>		<u>                    </u>	
			(2,025,137)		(2,074,816)
			<u>                    </u>		<u>                    </u>
<b>Profit before tax</b>			1,184,149		395,390
			<u>                    </u>		<u>                    </u>
<b>Taxation</b>	14		6,997		(107,600)
			<u>                    </u>		<u>                    </u>
<b>Profit for the year after tax</b>			1,191,146		287,790
			<u>                    </u>		<u>                    </u>

The profit on ordinary activities before tax is wholly attributable to continuing activities.

The notes on pages 26 to 46 form part of these financial statements.

**THE HOSPITAL SATURDAY FUND**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 Unrestricted Charity £	2024 Trading £	2024 Charity Expendable Endowment £	2024 Total £	2023 Total £
<b>Income and endowments:</b>						
Donations and legacies		10,476	-	-	10,476	825
Trading activities	7	-	33,713,381	-	33,713,381	30,643,353
Investment income	3	582,227	406,280	-	988,507	972,736
<b>Total incoming resources</b>		<u>592,703</u>	<u>34,119,661</u>	<u>-</u>	<u>34,712,364</u>	<u>31,616,914</u>
<b>Expenditure on:</b>						
Raising funds – trading activities	5	(47,089)	(33,934,541)	(78,613)	(34,060,243)	(31,841,723)
<b>Amounts available for charitable application</b>		<u>545,614</u>	<u>185,120</u>	<u>(78,613)</u>	<u>652,121</u>	<u>(224,809)</u>
Charitable activities	8	(2,136,565)	-	-	(2,136,565)	(2,415,657)
<b>Net (outgoing)/incoming resources before investment gains and losses</b>		<u>(1,590,951)</u>	<u>185,120</u>	<u>(78,613)</u>	<u>(1,484,444)</u>	<u>(2,640,466)</u>
Gift aid donation		-	(2,105,109)	2,105,109	-	-
Realised investment loss	10	-	(549,446)	(2,521)	(551,967)	(380,426)
Unrealised investment gain / (loss)	10	-	2,569,200	658,161	3,227,361	3,308,511
Transfer between funds	15	2,035,613	-	(2,035,613)	-	-
<b>Net movement in funds for the year</b>		<u>444,662</u>	<u>99,765</u>	<u>646,523</u>	<u>1,190,950</u>	<u>287,619</u>
<b>Funds brought forward</b>		<u>2,629,958</u>	<u>25,458,256</u>	<u>17,843,170</u>	<u>45,931,384</u>	<u>45,643,764</u>
<b>Funds carried forward at 31 December 2024</b>		<u>3,074,620</u>	<u>25,558,022</u>	<u>18,489,693</u>	<u>47,122,334</u>	<u>45,931,383</u>

The notes on pages 26 to 46 form part of these financial statements

All transactions are derived from continuing activities.

The statement of financial activities includes the income and expenditure account.

All recognised gains and losses are included in the statement of financial activities.

## GROUP AND CHARITY BALANCE SHEETS

AT 31 DECEMBER 2024

	Notes	2024		2023	
		Group £	Charity £	Group £	Charity £
<b>FIXED ASSETS</b>					
Tangible assets	9	4,923,398	-	5,013,205	-
Investments	10	39,272,622	36,342,384	36,760,996	35,053,242
		<u>44,196,020</u>	<u>36,342,384</u>	<u>41,774,201</u>	<u>35,053,242</u>
<b>CURRENT ASSETS</b>					
Debtors	11	2,873,709	14,886	2,346,324	47,942
Cash at bank and in hand		5,996,710	4,627,789	7,101,472	4,894,806
		<u>8,870,419</u>	<u>4,642,675</u>	<u>9,447,796</u>	<u>4,942,748</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(5,124,987)</u>	<u>(49,001)</u>	<u>(4,510,085)</u>	<u>(156,596)</u>
<b>NET CURRENT ASSETS</b>		<u>3,745,432</u>	<u>4,593,674</u>	<u>4,937,711</u>	<u>4,786,153</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>47,941,452</u>	<u>40,936,058</u>	<u>46,711,912</u>	<u>39,839,395</u>
<b>DEFERRED TAXATION</b>	14	<u>(818,924)</u>	<u>-</u>	<u>(780,529)</u>	<u>-</u>
<b>NET ASSETS</b>		<u><u>47,122,528</u></u>	<u><u>40,936,058</u></u>	<u><u>45,931,383</u></u>	<u><u>39,839,395</u></u>
Representing:					
<b>FUNDS</b>					
Unrestricted funds					
- General funds	15	3,074,621	19,664,308	2,629,958	19,664,308
- Trading funds	15	25,558,216	-	25,458,256	-
Expendable endowment fund	15	18,489,693	21,271,750	17,843,170	20,175,087
		<u>47,122,529</u>	<u>40,936,058</u>	<u>45,931,384</u>	<u>39,839,395</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 22nd April 2025 and were signed below on its behalf by:



JOHN GREENWOOD  
Chair



JANE DALTON  
Vice Chair

The notes on pages 26 to 46 form part of these financial statements.

**THE HOSPITAL SATURDAY FUND**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Notes	2024 £	2023 £	
<b>Reconciliation of net movement in funds for the year to net operating cash flows</b>				
Net movement in funds for the year		1,190,950	287,789	
Taxation		(6,801)	107,600	
Exchange (gains) / losses		-	-	
Unrealised (gains) / losses on other financial investments		(3,227,361)	(3,308,511)	
Realised losses / (gains) on other financial investments		551,967	380,426	
Income from other financial investments and cash	3	(988,507)	(972,737)	
Depreciation and amortisation		248,177	223,515	
(Increase) in debtors		(527,385)	773,763	
Increase in creditors		611,270	323,494	
<b>Net cashflow from operating activities</b>		<u>(2,147,690)</u>	<u>(2,184,661)</u>	
<b>Cash flows from investment activities</b>				
Income received from other financial investments	3	958,202	954,172	
Interest received	3	30,305	18,565	
Purchases of tangible fixed assets	9	(165,828)	(270,594)	
Acquisition of subsidiaries		-	-	
Purchases of other financial investments		(7,602,337)	(7,951,500)	
Sales of other financial investments		7,948,499	8,091,358	
<b>Net cashflow from investing activities</b>		<u>1,168,841</u>	<u>842,001</u>	
(Decrease) in cash holdings		(978,849)	(1,342,660)	
Cash and cash equivalents at 1 January		7,101,472	8,792,140	
Exchange losses on cash and cash equivalents		(125,910)	(348,008)	
Cash and cash equivalents at 31 December		<u>5,996,710</u>	<u>7,101,472</u>	
<b>Analysis of cash and cash equivalents</b>				
Cash in hand		5,996,710	7,101,472	
<b>Total cash and cash equivalents</b>		<u>5,996,710</u>	<u>7,101,472</u>	
<b>ANALYSIS OF CHANGES IN NET CASH</b>				
	At 1 January 2024	Cashflows	Capital Contribution to subsidiary	At 31 December 2024
Cash	£ 7,101,472	£ (1,104,762)	£ -	£ 5,996,710
<b>Total</b>	<u>7,101,472</u>	<u>(1,104,762)</u>	<u>-</u>	<u>5,996,710</u>

There was no net debt in the current and prior year

# THE HOSPITAL SATURDAY FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 1. ACCOUNTING POLICIES

The Hospital Saturday Fund is a charitable company limited by guarantee and is incorporated in the England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are that of a grant giving charity.

The charity constitutes a public benefit entity as defined by FRS 102. 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 Standards applicable in the UK and Republic of Ireland (FRS 102 & FRS103), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

These accounts consolidate the accounts of the Charitable Company and its wholly owned non-charitable trading subsidiaries companies HSF health plan Limited, HSF Assist Limited and HSF health plan (Malta) Ltd. As permitted by Section 408 of the Companies Act 2006 and in accordance with paragraph 397 of the Charities SORP 2015, no separate SOFA has been presented for the Charitable Company alone.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### a) Gift of investment in HSF health plan Limited

The investment is carried at the Trustees' estimate of valuation of the company at 1 April 2007, the date of gift from the company, less any provision for permanent diminution in value. In 2021 the Trustees' acquired a further subsidiary of HSF health plan (Malta) Ltd and this is carried at the Trustees' estimate of valuation of the company at 13 January 2021, the date of the investment in the company plus the valuation of the additional investment in 2022.

#### b) Incoming resources

All incoming resources are included within the Statement of Financial Activities (SOFA) where the charity has legal entitlement to the income, after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Incoming resources represents donations, income of the trading subsidiaries and investment income. All income is accounted for on a receivable basis.

#### Premiums

Earned premiums represent premium income from policyholders for the year, excluding insurance premium tax and including amounts due on 31 December and subsequently received.

Re-Insurance premiums are deducted from gross premiums earned for the Personal Accident as this is underwritten by a third party. These Re-Insurance premiums are in relation to Accident and Health and this agreement ended on the 31<sup>st</sup> January 2021.

Provision is made for premiums received, but not earned at the balance sheet date.

All premiums arise in the United Kingdom and Ireland.

#### c) Tangible Fixed Assets

The group has adopted the revaluation method in relation to its freehold property. Land and buildings occupied by the Company for its own purposes are stated at valuation less depreciation. Depreciation is applied to both the land and building as the land element is not identified separately. Depreciation in excess of historical costs is charged to the gains on investment/property.

Other Fixed Assets are stated at historical cost less accumulated depreciation. Costs include expenditure directly attributed in making the asset capable of operating as an asset.

Depreciation is provided on all tangible assets at rates calculated to write off the cost or valuation less estimated residual value of assets in equal instalments over their expected useful lives. Assets costing below £1,000 are expensed to the SOFA in the year of acquisition. The rates used are as follows on a straight line basis:-

Freehold property	2%
Furniture, fixtures and fittings	20%
Computer equipment	25%

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 1. ACCOUNTING POLICIES (continued)

##### d) Investments

Investments are recognised initially at fair value which is normally the transactional price, in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' subsequently they are reserved at fair value. Listed investments are regularly marked to market with gains and losses taken to the Statement of Financial Activities. The basis for determining the fair value is the quoted market price in an active market; which is level 1 of the fair value hierarchy. Investments in subsidiaries are recognised at cost value. The Group does not hold unlisted assets.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and market value at the previous financial year-end or cost if the investment was acquired subsequently.

##### e) Interest Receivable

Interest receivable is recognised in the Statement of Financial Activities in the year in which it is receivable using the effective interest method. Interest income is recognised using the effective interest method and dividend income is recognised as the company's right to receive payment is established.

##### f) Pension Costs

The Group makes contributions to employees' group personal pension plans. The pension cost charge charged to the Statement of Financial Activities in the year represents contributions payable by the group to the group personal pension plans in respect of the year.

##### g) Redundancy

Redundancy costs arising from periodic reviews of staff levels are charged against profit in the year in which legal or contractual recognition occurs.

An exercise to restructure the HSF health plan Limited Finance department resulted in one redundancy. The process completed shortly before the year end and a provision was made for the outstanding redundancy payment.

##### h) Expenditure

Expenditure is accounted for on an accounts loss and classified under functional headings on a direct cost basis. Expenditure is recognised where there is a legal or contractual obligation to issue a payment to a 3<sup>rd</sup> party, it is probable trust settlement will be required and the amount of the obligation can be measured reliably. Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration, internal and external audit costs and IT support. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 4.

##### i) Claims Incurred

Claims incurred represent benefits payable to policyholders for the year and include a provision for claims in respect of the year to 31 December settled after that date.

The Company's policies allow claims to be made up to 6 months after the date of receiving treatment, so the claims provision includes a component in respect of IBNR. The provision is calculated with reference to previous claims experience.

##### j) Fund accounting

Unrestricted funds comprise accumulated surpluses on general and trading funds.

General funds comprise the accumulated surplus from the Statement of Financial Activities which are neither restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company.

Trading funds are the accumulated trading surpluses and revaluation surplus of the trading subsidiary.

Expendable endowment funds arise where the terms of the gift aid donation stipulate that the funds are to be treated as capital but may be expended at the discretion of Trustees within the objects of the charity.

Accordingly, the Trustees have the right but not the duty to expend the capital as they see fit.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 1. ACCOUNTING POLICIES (continued)

##### k) Deferred Taxation

Full provision is made for deferred tax assets and liabilities within the trading subsidiary accounts in respect of all non-permanent timing differences that have originated but not reversed at the balance sheet date based on tax rates substantially enacted at the balance sheet date. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

##### l) Operating Leases

Rentals costs payable under operating leases are charged to the Statement of Financial Activities over the period of each lease.

##### m) Translation of Foreign Currency

Transactions in foreign currencies are converted monthly at the average monthly rates of exchange. At the year-end assets and liabilities are converted at the exchange rates ruling at that date. Exchange differences are taken to the Statement of Financial Activities.

##### n) Grants

Grants are recognised in the accounts when awarded by the Grant Making Committee and committed to and the recipient has been notified of the award. The grants are awarded at the discretion of the Trustees within the objects of the Charitable Company.

##### o) Financial instruments

The company enters basic financial instruments transactions that result in the recognition of financial assets and liabilities like debtors arising out of direct insurance operations, trade payables, loans to related parties and investments in non-puttable ordinary shares. The company has applied the requirement of Section 11 and 12 of the FRS 102 framework for the measurement of its financial instruments. Financial instruments are initially recognised at their transaction cost.

Basic financial instruments are subsequently measured at amortised cost using the Effective Interest Rate (EIR). The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

Equity instruments and non-basic financial instruments are subsequently measured at their fair value.

The company holds the following types of financial instrument.:

- Debtors – trade and other debtors are financial instruments and are debt instruments measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received as detailed in the Balance Sheet on page 23. Prepayments amounting to £763,726 (2023: £206,525) for the Company are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in the Balance Sheet on page 23. Amounts due to taxation and social security are not included in the financial instrument disclosure.
- Investments – these are non-puttable ordinary shares are measured at fair value with the exception of the investment in the subsidiaries which are stated at cost. Listed investments are regularly marked to market with gains and losses taken to the Income Statement. The basis for determining the fair value is the quoted market price in an active market; which is level 1 of the fair value hierarchy. Realised gains and losses on investments are calculated as the difference between net sales proceeds and market value at the previous financial year-end or cost if the investment was acquired subsequently. Impairment – Financial instruments that are measured at fair value are assessed at the end of each reporting period for objective evidence of impairment. If such evidence is identified an impairment loss is recognised in the statement of comprehensive income.
- Impairment – Financial instruments that are measured at fair value are assessed at the end of each reporting period for objective evidence of impairment. If such evidence is identified an impairment loss is recognised in the statement of comprehensive income.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 1. ACCOUNTING POLICIES (continued)

##### p) Provisions

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the Company. The estimate cost of claims includes expenses to be incurred in settling claims and a deduction for the expected value of recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its material claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the outcome will prove to be different from the original liability established.

Provision is also made at the year-end for the estimated unearned premium income at the balance sheet date. The Company takes all reasonable steps to ensure that it has appropriate information regarding its material unearned premium exposure. However, given the uncertainty in establishing unearned premiums provisions, it is likely the outcome will prove to be different from the original liability established.

##### q) Significant judgments and estimates

The group requires management to make significant judgements and estimates in the preparation of the financial statements. The items in the financial statements where these judgements and estimates have been made include as follows:

- Estimate - Foreign Currency - the translation of foreign currency into the reporting currency.
- Judgement - Technical provisions - the most significant judgement and estimate in the accounts is the technical provisions and debtors, as it can take up to six months after the year end before establishing the ultimate cost of claims incurred and premiums paid but not yet recognised to the Company and the final outcome could be better or worse than the provisions. The Directors use a calculation based on claims and premium trends from the previous two years to estimate the provisions required at the year end. In 2022 there has also been an inclusion in the claims technical provisions for the Personal Accident claims following this coming in-house in February 2021. Due to this being a new area of business for the company and also due to the larger value differences between individual claims values the provision has utilised 4 years of historical data to generate a weighted average which is then multiplied by the number of open claims at the year end with a further inclusion of an additional value for claims which have been incurred but not received.
- Estimate - Land & Buildings - the fair value of the freehold property has been based on the value provided by an independent chartered surveyor in 2021. Even though the value was carried out in the prior year the Trustees believe this to continue to be a fair value for the freehold property, there is an estimated uncertainty in this as no third party valuation was carried out at the current year end.

##### r) Employee Benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The Charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

##### s) Tax

The Charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. The taxation charge arising in the year relates to the operation of the Trading Subsidiaries.

##### t) Deferred Tax

Deferred tax is generated from the activities of the charities trading subsidiaries. Full provision is made for deferred tax assets and liabilities within the accounts in respect of all timing differences, which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is recognised only if it can be regarded as probable that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

##### u) Going Concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charities ability to continue as a going concern. This is based on the value of investments held and forecast future cashflows. The charity therefore continues to adopt the going concern basis in preparing these financial statements.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

<b>2. PREMIUM INCOME</b>			<b>2024</b>	<b>2023</b>
			<b>£</b>	<b>£</b>
Total direct insurance premiums			35,534,751	32,235,328
Less direct insurance premium tax			(1,734,334)	(1,570,838)
			<u>33,800,417</u>	<u>30,664,490</u>
Gross direct premiums written			<u>33,800,417</u>	<u>30,664,490</u>
The Company is engaged in only one class of business, Accident and Health, providing a range of health cash plan schemes. All premium income relates to direct insurance business arising in the United Kingdom, Republic of Ireland and Malta. All premiums received are individual periodic premiums with are based on non-participating contracts.				
			<b>2024</b>	<b>2023</b>
			<b>£</b>	<b>£</b>
United Kingdom			15,115,230	13,630,730
Republic of Ireland			18,601,333	17,008,752
Malta			83,754	25,008
			<u>33,800,317</u>	<u>30,664,490</u>
Gross premiums written			<u>33,800,317</u>	<u>30,664,490</u>
<b>3. INVESTMENT INCOME</b>			<b>2024</b>	<b>2023</b>
			<b>Charity</b>	<b>Group</b>
			<b>£</b>	<b>£</b>
Income from other financial investments			569,080	958,202
Interest receivable			13,147	30,305
			<u>582,227</u>	<u>988,507</u>
			<u>582,227</u>	<u>988,507</u>
<b>4. NET INCOME FOR THE YEAR</b>			<b>2024</b>	<b>2023</b>
			<b>£</b>	<b>£</b>
The net income for the year is stated after charging:				
Depreciation			248,177	223,515
Auditors' remuneration:				
Audit of the charity			13,000	11,000
Audit of the subsidiaries			50,300	48,700
Operating leases			120,800	134,499
			<u>422,277</u>	<u>456,414</u>
<b>5. ANALYSIS OF TOTAL RESOURCES EXPENDED</b>			<b>2024</b>	<b>2024</b>
			<b>Direct costs</b>	<b>Grant funding</b>
			<b>£</b>	<b>£</b>
<b>Raising funds</b>				
Charity			125,702	-
Subsidiaries			24,560,719	-
<b>Charitable activities</b>	<b>(Note 8)</b>		-	2,035,613
			<u>24,686,421</u>	<u>2,035,613</u>
<b>Group Total</b>			<u>24,686,421</u>	<u>2,035,613</u>
			<u>24,686,421</u>	<u>2,035,613</u>

All grants in the year were funded from the expendable endowment.

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

5. ANALYSIS OF TOTAL RESOURCES (continued)	Direct costs £	Grant funding £	Support costs £	2023 Total £
<b>Raising funds</b>				
Charity	(201,477)	-	-	(201,477)
Subsidiaries	23,439,032	-	8,604,168	32,043,200
<b>Charitable activities (Note 8)</b>	-	2,355,395	60,263	2,415,658
<b>Group Total</b>	<u>23,237,555</u>	<u>2,355,395</u>	<u>8,664,431</u>	<u>34,257,381</u>

All grants in the year were funded from the expendable endowment.

**ANALYSIS OF SUPPORT COSTS**

	2024 Total £	2023 Total £
Policy Services	388,188	393,231
Staff Costs	5,393,601	4,783,237
Property Costs	358,395	493,352
Sales & Marketing Costs	449,522	431,666
Administration Costs	1,397,876	1,772,549
Governance Costs	645,128	441,394
Exchange Variance	848,587	241,400
Tax Movement	(6,801)	107,600
<b>Total</b>	<u>9,474,496</u>	<u>8,664,429</u>

**ANALYSIS OF GOVERNANCE COSTS**

	2024 Total £	2023 Total £
Internal Audit	71,738	38,927
External auditors' remuneration		
- Audit services	59,700	59,700
Governance and professional support	513,690	342,767
<b>Total</b>	<u>645,128</u>	<u>441,394</u>

**6. STAFF COSTS**

**Charity**

The charity employs no staff, all staff are employed by the trading subsidiaries – HSF health plan Limited & HSF health plan (Malta) Ltd.

	2024 £	2023 £
Wages and salaries	4,290,648	3,896,594
Social security costs	489,657	430,348
Pension costs	613,297	456,295
	<u>5,393,602</u>	<u>4,783,237</u>

The average number of persons employed during the year was:

	2024	2023
Sales	20	20
Administration	59	58
	<u>79</u>	<u>78</u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

**6. STAFF COSTS (continued)**

	<b>2024</b>	<b>2023</b>
The number of employees whose annual emoluments exceeded £60,000 were:-		
£60,001 - £70,000	9	7
£70,001 - £80,000	2	2
£80,001 - £90,000	3	3
£90,001 - £100,000	5	3
£100,001 - £110,000	1	2
£110,001 - £120,000	-	1
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-
£160,001 - £170,000	-	1
£170,001 - £180,000	-	-
£210,001 - £220,000	-	-
£220,001 - £230,000	1	-
£230,001 - £240,000	-	-
£240,001 - £250,000	-	1
£260,001 - £270,000	-	-
£290,001 - £300,000	-	-
£310,001 - £320,000	-	1
£360,001 - £370,000	1	-

Contributions totalling £347,557 (2023: £240,015) were made to group personal pension plans in respect of the 23 (2023: 22) employees above.

None of the trustees were remunerated during the year for their services as trustees of the parent Charitable Company. Expenses totalling £34,319 (2023: £30,416) were reimbursed to eight trustees (2023: eight) of the parent Charitable Company for travel, accommodation and subsistence.

Key Management personnel for the Hospital Saturday Fund are only the Trustees as the Charity does not employ any staff. Key management personnel within its trading subsidiary HSF health plan Limited are the Non-Executive Directors, Executive Directors and Head of Departments and total salary and benefits provided total £1,330,678 (2023: £1,067,895).

Included within Staff Costs are £10,500 in non-statutory payments and £7,000 in statutory redundancy payments (2023: £8,296). This amount was outstanding at the year end.

Six Trustees received remuneration during the year for performance of their duties as Directors of the trading subsidiary HSF health plan Ltd. In accordance with the Charity Commission advice the two Trustees who are not remunerated, form the Remuneration Committee:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Mrs J L Dalton	10,649	6,954
Mr M Davies	15,417	13,604
Mr J Greenwood	10,107	8,870
Mr J Randel	12,065	12,728
Ms K Richards-Cole	2,852	-
Mr D Thomas	9,536	11,753
<b>Total remuneration</b>	<b>60,626</b>	<b>53,909</b>

Contributions totalling £Nil (2023: £Nil) were made to personal pension plan in respect of none (2023: none) of the Directors above.

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

**7. RESULTS OF SUBSIDIARIES**

HSF Health Plan Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF Health Plan Limited, incorporated in the UK (number 30869), is a health cash plan organisation and donates its surplus annual taxable profits to the Charity under Gift Aid. HSF Health Plan Limited's registered office address is 24 Upper Ground, London SE1 9PD. The results of HSF Health Plan Limited are detailed below:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	33,582,224	30,565,249
Claims paid and reinsurance	(24,423,987)	(23,427,563)
Net operating expenses	(8,668,212)	(8,191,301)
Balance on the technical account for general business	490,025	(1,053,615)
Investment income and gains	1,840,835	1,812,425
Other income	-	-
Profit before taxation	2,330,860	758,810
Profit for the year after taxation	2,323,893	638,446
<b>BALANCE SHEET</b>		
Fixed assets	23,779,639	23,335,029
Net current liabilities	(921,764)	(735,513)
Deferred taxation	(840,151)	(833,184)
<b>NET ASSETS</b>	22,017,724	21,766,332
<b>FUNDS</b>		
General reserve	22,017,724	21,766,332
	22,017,724	21,766,332

HSF Assist Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF Assist Limited, incorporated in the UK (number 8139547), is a helpline organisation and donates its surplus annual taxable profits to the Charity under Gift Aid. HSF Assist Limited's registered office address is 24 Upper Ground, London SE1 9PD. The results of HSF Assist Limited are detailed below:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	52,993	53,097
Helplines and counselling	(19,472)	(14,143)
Other admin costs inc gift aid donation	(8,034)	(6,344)
Profit for the year after taxation	25,487	32,610
<b>BALANCE SHEET</b>		
Net current assets	25,489	32,610
<b>NET ASSETS</b>	25,489	32,610
<b>CAPITAL AND RESERVES</b>		
Share capital	1	1
Profit and loss account	25,488	32,609
	25,489	32,610

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

**7. RESULTS OF SUBSIDIARIES (continued)**

HSF health plan (Malta) Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF health plan (Malta) Limited, incorporated in Malta (registration number: C 93406), is a health cash plan organisation. HSF Malta's registered office address is No. 4 Triq Sant' Andrija, Valletta, VLT 1341, Malta. The results of HSF health plan (Malta) Limited are detailed below:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	81,137	25,008
Claims paid and reinsurance	(38,251)	(11,469)
Net operating expenses	(375,768)	(341,588)
Balance on the technical account for general business	(332,882)	(328,049)
Investment income and gains	390,738	346,962
Other income	250,000	223,948
(Loss) / Profit before taxation	307,856	242,861
(Loss) / Profit for the year after taxation	321,623	255,625
<b>BALANCE SHEET</b>		
Fixed assets	3,410,307	2,732,333
Net current assets	371,840	379,910
Deferred taxation	23,090	52,655
<b>NET ASSETS</b>	<b>3,805,237</b>	<b>3,164,898</b>
<b>FUNDS</b>		
General reserve	3,805,237	3,164,898
	<b>3,805,237</b>	<b>3,164,898</b>

**8. GRANTS**

	<b>Grants to Institutions</b>	<b>Grants to Individuals</b>	<b>Support Costs</b>	<b>2024 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
During the year the following grants were made:				
Medical charities	1,525,845	-	78,175	1,604,020
Hospitals and hospices	137,242	-	6,132	143,374
Welfare grants to individuals	-	341,291	15,249	356,540
Other medical/welfare related organisations	31,235	-	1,396	32,631
	<b>1,694,322</b>	<b>341,291</b>	<b>100,952</b>	<b>2,136,565</b>

	<b>Grants to Institutions</b>	<b>Grants to Individuals</b>	<b>Support Costs</b>	<b>2023 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
During the year the following grants were made:				
Medical charities	1,800,260	-	46,059	1,846,319
Hospitals and hospices	180,244	-	4,612	184,856
Welfare grants to individuals	-	334,891	8,568	343,459
Other medical/welfare related organisations	40,000	-	1,023	41,023
	<b>2,020,504</b>	<b>334,891</b>	<b>60,262</b>	<b>2,415,657</b>

A full list of grants to institutions is available on the Charity website (<https://hospitalsaturdayfund.org/grant-updates/>).

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

9. TANGIBLE FIXED ASSETS	Charity			Group	
	Computer Equipment £	Total £	Freehold property £	Furniture Fixtures and Fittings £	Total £
<b>COST OR VALUATION</b>					
At 1 January 2024	12,000	12,000	4,995,000	2,088,671	7,095,671
Additions in year	-	-	-	165,828	165,828
At 31 December 2024	12,000	12,000	4,995,000	2,254,499	7,261,499
<b>DEPRECIATION</b>					
At 1 January 2024	12,000	12,000	299,700	1,770,766	2,082,466
Charge for year	-	-	99,900	155,735	255,635
At 31 December 2024	12,000	12,000	399,600	1,926,501	2,338,101
<b>NET BOOK VALUE</b>					
At 31 December 2024	-	-	4,595,400	327,998	4,923,398
At 31 December 2023	-	-	4,695,300	317,905	5,013,205

The Company owns a freehold property at 24 Upper Ground, London SE1 9PD which is used for the Company's own activities. The property was valued on 18 February 2021, the fair value of the property was £4,995,000 on an open market basis by an independent valuer, Egerton chartered surveyors. At the date of the revaluation, the directors believed the property had a useful economic life of at least 50 years. The directors have reassessed the valuation at 31 December 2024 which has confirmed no material change or impairment. The historical cost as of the 31 December 2024 was £822,500 (2023: £822,500).

10. INVESTMENTS	2024		2023	
	Group £	Charity £	Group £	Charity £
Market value at 1 January	36,760,996	35,053,243	33,592,343	33,872,056
Additions	7,568,215	2,953,194	7,951,500	3,451,424
Disposals	(7,914,377)	(2,522,713)	(8,091,358)	(3,268,075)
Unrealised gains	2,857,788	858,660	3,308,511	997,838
Market value at 31 December	39,272,622	36,342,384	36,760,996	35,053,243
Historical cost at 31 December	34,601,828	34,601,828	33,676,166	34,145,995
<b>At market value</b>				
United Kingdom investments (listed)	5,117,913	3,160,914	4,451,784	2,905,631
Overseas equity investments (listed)	22,670,765	10,022,842	22,338,899	9,860,387
Bonds (listed)	8,284,870	2,597,365	7,905,097	2,622,917
Property and Infrastructure (listed)	2,589,201	896,955	1,450,619	-
Cash Fund (unlisted)	609,873	-	614,598	-
<b>At cost value</b>				
Investment in HSF health plan Limited (unlisted)	-	15,865,576	-	15,865,576
Investment in HSF health plan (Malta) Ltd (unlisted)	-	3,798,732	-	3,798,732
	39,272,622	36,342,384	36,760,997	35,053,243

The investment in HSF health plan Limited represents the reserves of HSF health plan Limited at the point at which the ownership was donated to The Hospital Saturday Fund. The consolidated statement of financial activities includes unrealised gains of £3,227,361 (2023 gains of: £3,308,511) and realised losses of £551,967 (2023 losses of: £380,426)

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

11. DEBTORS	2024		2023	
	Group £	Charity £	Group £	Charity £
Insurance operation debtors	1,815,968	-	1,565,787	-
Other debtors	294,015	-	574,012	-
Prepayments and accrued income	763,726	14,886	158,583	47,942
	<u>2,873,709</u>	<u>14,886</u>	<u>2,298,382</u>	<u>47,942</u>

12. CREDITORS: amounts falling due within one year	Note	2024		2023	
		Group £	Charity £	Group £	Charity £
Insurance operations provisions	13	4,188,430	-	4,299,701	-
Trading operations creditors and accruals		494,852	-	270,884	-
Other creditors and accruals		532,914	49,001	160,590	156,596
Taxes and social security		(91,210)	-	(49,764)	-
		<u>5,124,987</u>	<u>49,001</u>	<u>4,681,411</u>	<u>156,596</u>

13. MOVEMENTS IN INSURANCE OPERATION PROVISIONS

	2024 £	2023 £
Claims Provision		
Claims provision brought forward (including IBNR)	3,414,060	3,268,276
Payments during the year in respect of those provisions	(3,301,694)	(3,017,529)
Adjustment to prior year's provision	(112,367)	(250,747)
Movement in provision during the year	<u>3,214,753</u>	<u>3,414,060</u>
Net loss provision carried forward in respect of outstanding claims	<u>3,214,753</u>	<u>3,414,060</u>
Unearned Premium Provision		
Unearned premium provision brought forward	885,641	793,498
Premiums during the year in respect of those provisions	(885,641)	(793,498)
Movement in provision during the year	<u>973,677</u>	<u>885,641</u>
Net loss provision carried forward in respect of unearned premiums	<u>973,677</u>	<u>885,641</u>
Net loss provision carried forward in respect of insurance operations	<u>4,188,430</u>	<u>4,299,701</u>

The provisions detailed above would be expected to be materially realised within six months of the year end due to the nature of our business and the terms and conditions of our policies.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

14. DEFERRED TAXATION	Liability on Property revaluation	Short term Timing difference	Fixed asset - timing differences	Losses and other deductions	Total
	£	£	£	£	£
At 1 January 2024	(838,323)	66,035	(31,283)	23,041	(780,529)
Profit and loss account	-	(25,974)	(10,589)	(1,832)	(38,395)
Other comprehensive income	-	-	-	-	-
At 31 December 2024	<u>(838,323)</u>	<u>92,009</u>	<u>(41,872)</u>	<u>21,209</u>	<u>(818,924)</u>
	Liability on property revaluation	Short term timing different	Fixed asset - timing differences	Losses and other deductions	Total
	£	£	£	£	£
At 1 January 2023	(838,322)	39,891	11,851	113,651	(672,929)
Profit and loss account	(1)	26,144	(43,134)	(90,610)	(107,601)
Other comprehensive income	-	-	-	-	-
At 31 December 2023	<u>(838,323)</u>	<u>66,035</u>	<u>(31,283)</u>	<u>23,041</u>	<u>(780,529)</u>

Reversal of deferred tax liabilities in respect of property revaluation is uncertain due to its dependency on prevailing market conditions. In the calculation of the deferred tax the future tax rate of 25% has been taking into consideration.

The tax charge in the Income Statement is made up as follows.

	2024	2023
	£	£
Corporation tax (see below)	6,967	120,364
Movement on deferred tax provision on property revaluation	-	-
	<u>6,967</u>	<u>120,364</u>

The tax assessed for the year differs from the standard corporation tax rate in the UK of 25.0% (2023: 23.52%).

The differences are explained below:

UK Profit on ordinary activities before tax	2,330,860	758,810
Corporation tax at the standard rate of 25.0% thereon (2023: 23.52%)	582,715	178,476
Effects of:		
Amounts not deductible for tax purposes	3,961	3,979
Fixed asset differences	24,976	21,597
Losses carried back	-	-
Dividend and distribution income	(86,560)	(90,810)
Adjustment to tax charge in respect of previous periods – deferred tax	-	-
Deferred tax (charged) directly to equity	-	-
Remeasurement of deferred tax for changes in tax rates to 25%	-	7,122
Adjustment for profits gift aided to parent, charged to reserves	(518,125)	-
UK Corporation tax on profit	<u>6,967</u>	<u>120,364</u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

**14. DEFERRED TAXATION (continued)**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
The tax assessed for the year differs from the standard corporation tax rate in the Malta of 35.00% (2023: 35.00%). The differences are explained below:		
Malta Profit on ordinary activities before tax	307,855	242,861
Malta Corporation tax at the standard rate of 35.00% thereon (2023: 35.00%)	107,749	85,002
Effects of:		
Amounts not deductible for tax purposes	8,009	23,948
Dividend and distribution income	-	-
Unrealised gains on investments	(124,524)	(154,860)
Prior year adjustment	-	-
	<u>(13,768)</u>	<u>(12,764)</u>
Malta Corporation tax on profit on ordinary activities	<u>(13,768)</u>	<u>(12,764)</u>
UK Corporation tax on profit on ordinary activities	6,967	120,364
Malta Corporation tax on profit on ordinary activities	(13,964)	(12,764)
	<u>6,997</u>	<u>107,600</u>
Corporation tax on profit on ordinary activities	<u>6,997</u>	<u>107,600</u>

**15. MOVEMENT ON FUNDS**

	<b>At 1</b>	<b>Movement in funds</b>		<b>Gains on</b>	<b>Transfers</b>	<b>Balance at</b>
	<b>January</b>	<b>Incoming</b>	<b>Resources</b>	<b>Investments/</b>		<b>31 December</b>
<b>Unrestricted funds</b>	<b>2024</b>	<b>resources</b>	<b>expended</b>	<b>Property</b>	<b>£</b>	<b>2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>
General funds	2,629,959	592,703	(2,183,654)	-	2,035,613	3,074,621
Trading funds	25,458,256	34,018,400	(33,833,086)	2,019,755	(2,105,109)	25,558,216
	<u>28,088,215</u>	<u>34,611,103</u>	<u>(36,016,740)</u>	<u>2,019,755</u>	<u>(69,496)</u>	<u>28,632,837</u>
<b>Expendable Endowment</b>	17,843,170	-	(78,613)	655,640	69,496	18,489,693
<b>Total funds</b>	<u>45,931,385</u>	<u>34,611,103</u>	<u>(36,095,353)</u>	<u>2,675,395</u>	<u>-</u>	<u>47,122,529</u>
	<b>At 1</b>	<b>Movement in funds</b>		<b>Gains on</b>	<b>Transfers</b>	<b>Balance at</b>
	<b>January</b>	<b>Incoming</b>	<b>Resources</b>	<b>Investments/</b>		<b>31 December</b>
<b>Unrestricted funds</b>	<b>2023</b>	<b>resources</b>	<b>expended</b>	<b>Property</b>	<b>£</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>
General funds	1,886,977	532,346	(2,144,759)	-	2,355,395	2,629,959
Trading funds	24,539,265	31,084,569	(32,043,200)	1,887,850	(10,228)	25,458,256
	<u>26,426,242</u>	<u>31,616,915</u>	<u>(34,187,959)</u>	<u>1,887,850</u>	<u>2,345,167</u>	<u>28,088,215</u>
<b>Expendable Endowment</b>	19,217,523	-	(69,421)	1,040,235	(2,345,167)	17,843,170
<b>Total funds</b>	<u>45,643,765</u>	<u>31,616,915</u>	<u>(34,257,380)</u>	<u>2,928,085</u>	<u>-</u>	<u>45,931,385</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

15. MOVEMENT ON FUNDS (continued)

**Expendable endowment fund**

The principal purpose of the expendable endowment fund is to provide a capital base from which income is earned to finance the grant making activities. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances however these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees. Transfer of funds represents the gift aid donation from trading subsidiaries to The Hospital Saturday Fund and the drawdown of expendable endowment to fund grants awarded in the year. The Reserves Policy is to maintain the Expendable Endowment at a level no less than £5m and no greater than £22m. The charity received large gift aid donations in 2021 & 2022 for the profits made by the trading subsidiary HSF health plan Ltd in the trading years of 2020 & 2021, which was due to the exceptional circumstances that resulted from the Covid-19 pandemic. However, given we are forecasting that the effect of the current inflation situation and unstable economic conditions will likely result in quite low gift-aid donations over the next three years, also as the largest of the three trading subsidiaries has committed to upgrading its Policyholder Database to improve the level of service provided to its customers, the Trustees are not expecting a large increase in the grant making as a result of the 2021 gift aid. Therefore, this will be used to fund the next three years' grant making this is evident in this year where there is a £2.0m drawdown transfer to fund the grant making in the year.

**Trading fund**

The principal purpose of the trading fund is to generate and provide income to the charity through its trading subsidiaries activities. The fund represents the current balance sheet value of HSF health plan Limited, HSF Assist Limited and HSF health plan (Malta) Ltd.

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2024 are represented by	Total Funds £	Unrestricted funds		Expendable Endowment £
		General Fund £	Trading Fund £	
Tangible fixed assets	4,923,398	-	4,923,398	-
Investments	39,272,622	-	22,594,546	16,678,075
Cash at bank and in hand	5,996,710	3,108,735	1,110,598	1,811,618
Net current assets	(2,264,125)	(34,114)	(2,230,011)	-
Deferred tax	(829,552)	-	(829,552)	-
<b>Total Net Assets</b>	<b>47,133,167</b>	<b>3,074,621</b>	<b>25,568,854</b>	<b>18,489,693</b>

Fund balances at 31 December 2023 are represented by	Total Funds £	Unrestricted funds		Expendable Endowment £
		General Fund £	Trading Fund £	
Tangible fixed assets	5,013,205	-	5,013,205	-
Investments	36,760,996	-	21,372,062	15,388,935
Cash at bank and in hand	7,101,472	2,738,611	1,908,625	2,454,236
Net current assets	(2,163,761)	(108,653)	(2,055,107)	-
Deferred tax	(780,529)	-	(780,529)	-
<b>Total Net Assets</b>	<b>45,931,383</b>	<b>2,629,958</b>	<b>25,458,256</b>	<b>17,843,171</b>

The Trading and Total Funds includes non-distributable reserves of £Nil (2023: £Nil) due to inclusion of the revaluation reserve. The balance on the revaluation reserve at year end was £7,118,723 (2023: £7,118,723).

17. PENSION COSTS

The trading subsidiary, as the employer in the group, makes contributions to group personal pension plans. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable for the year by the trading subsidiary to the personal pension plans and amounted to £505,048 (2023: £523,623).

At the balance sheet date, there were outstanding contributions of £75,337 (2023: £53,562)

**18. OPERATING LEASE COMMITMENTS**

At 31 December 2024, the Group had annual commitments under operating leases which expire as follows:

	2024		2023	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	3,865	107,210	20,775	96,218
In the second to fifth years inclusive	-	105,207	3,462	134,183
	<u>3,865</u>	<u>212,417</u>	<u>24,237</u>	<u>230,401</u>

**19. CONTINGENT LIABILITIES**

No provision has been made for any levy which the trading subsidiary, HSF health plan Ltd may be called upon to pay under the provisions of the Policyholders Protection Act 1975 as the likelihood of this arising is considered to be remote. The maximum amount of any such levy in respect of the current financial year would be £336,656 (2023: £306,395).

**20. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS**

This section has been broken down in to the key natures of risk arising, these are Market, Underwriting, Counterparty Default, Operational and Insurance.

**Market Risk**

**Key Risks**

The key drivers of the charge are asset class spread and equity risks. HSF health plan's asset portfolio contains a relatively conservative mix of bonds and equities.

**Controls**

To minimise risk and secure long term growth and inflation protection a diversified spread of assets in the form of property, equities, fixed interest securities, pooled funds and bank deposits are held currently using two fund managers, three banks, the High Court of Ireland and HSF itself. No derivatives, options, or stock loans are underwritten or directly held, although some pooled/hedge funds will have some exposure.

**Risk Appetite**

HSF health plan's appetite for market risk is relatively medium to low. The tolerance limits for Market Risk are detailed in HSF health plan's Risk Appetite document. As at the date of this report, there are no known breaches of market risk tolerances and the business is expected to remain within appetite over the life of the business plan.

**Underwriting Risk**

**Key Risks**

- Unexpected increase in claims frequency or deterioration in reserves
- Inadequate identification of current and emerging underwriting risks
- Sustained soft market resulting in falling premium rates resulting in inadequate volume of business to support operations

**Controls**

The short-tailed nature of its liabilities offer a predictable and stable book of reserves which render a risk profile commensurate with its risk appetite. The main driver of HSF health plan's Underwriting risk is the exposure to catastrophe risk which is generated due to the health nature of the insurance policies sold. HSF health plan has robust underwriting controls to mitigate its exposure under catastrophe risk and align it to its risk appetite and strategic business plan. Re-Insurance was used to remove all risks associated with the personal accident as a third party underwrites this while this was insured by a third party. This remained in place until the 31 January 2021, after this date the underwriting of the personal accident was brought inhouse to the company, due to this being similar to existing underwriting risks it was not assessed as a significant risk and continues to be.

**Risk Appetite**

As at the date of this report, there are no known breaches of underwriting risk tolerances and the business is expected to remain within appetite over the life of the business plan.

**Counterparty Default Risk**

**Risk Capital**

HSF health plan's Counterparty Default Risk (CDR) draws a capital charge of just under £0.5m (2023: just under £0.5m), which equates to approximately 25% of its undiversified capital charge.

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

**20. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS (continued)**

**Key Risks**

The main driver of the CDR is HSF health plan’s cash at HSBC, Lloyds Bank, AIB, UBS, Brewin Dolphin and LGT Wealth which is unrated.

**Controls**

- Monthly reviews of broker balances
- Semi-annual asset allocation review

**Risk Appetite**

HSF health plan’s tolerance thresholds for CDR is documented in greater detail in its Risk Appetite document. As at the date of this report, there are no known breaches of CDR risk tolerances and the business is expected to remain within appetite over the life of the business plan.

**Operational Risk**

HSF health plan’s policy is to maintain an acceptable balance between the risk of operational failures, and the need to operate efficiently and prudently to ensure that contributions represent good value for money to policyholders. Appropriate precautions are taken to manage/control risk here, and compliance/internal/business audits are undertaken from time to time on material activities and areas of potential concern. This is deemed to be adequate given the nature, scale and complexity of HSF health plan’s business.

**Sensitivity**

**Assumptions and sensitivities**

The risks associated with the non-life insurance contracts are complex and subject to a number of variables, which complicate quantitative sensitivity analysis. The Company uses several statistical and actuarial techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The key methods used by the Company for estimating liabilities are expected loss ratio and benchmarking.

HSF health plan’s management has considered a number of stress and scenario tests designed to provide a reasonableness check of the core-modelled results and more generally, the Risk Management Framework.

A key test was performed to determine whether losses resulting from any of the extreme events scenarios (assumed to be equal to or greater than 1 in 200 year events) would require capital holding in excess of the Solvency II Standard Formula model output; and hence whether HSF health plan would need to either increase its capital buffer or alter its modelling methodology and assumptions.

These tests are intended to be pragmatic illustrations of the major impact of an extreme adverse event or events rather than an attempt to model every possible consequence.

	Profit/Loss before tax		Accumulated Fund	
	2024	2023	2024	2023
	£	£	£	£
Before sensitivities	2,330,860	638,446	22,024,691	21,766,331
Reduction in business volumes by 15%	(2,718,675)	(3,957,476)	16,975,156	17,170,409
Reduction in investment market values by 25%	(3,614,050)	(5,082,811)	16,079,781	16,045,074

The conclusion from these tests was that HSF health plan currently holds adequate capital to absorb the shock from various extreme natural catastrophic events, which it is exposed to on a net basis from writing health insurance. In all the scenarios tested (which can be deemed to be extreme and fall under stress tests), HSF health plan remains solvent and fulfils obligations to its policyholders. However, if such events did occur HSF health plan may need to raise further capital, introduce reinsurance, or reduce operations.

20. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS (continued)

**Insurance Risk**

HSF's policy is to offer no insurance policy or renewal options beyond a month or two, and to manage the benefit/contributions levels to achieve over the long term a small surplus of contributions over claims and business costs. The Company has a risk associated with the claims technical provision which is calculated based on the requirement for claims to be submitted within 6 months of the date of treatment, by using two previous year's figures analysis to produce a trend and utilise this trend to calculate the current year's provisions. From 2021 there has also been an inclusion in the claims technical provisions for the Personal Accident claims following this coming in-house in February 2021. Due to this being a new area of business for the company and also due to the larger value differences between claims the provision has utilised 4 years of historical data to generate a weighted average which is then multiplied by the number of open claims at the year end with a further inclusion of an additional value for claims which have been incurred but not received.

**Concentration**

The Company writes non-life insurance on a monthly renewable base. The Company's primary insurance risk exposure is pandemic risk from widespread diseases. The concentration of non-life insurance by type of contract is summarised below by reference to liabilities:

	Gross claims	
	2024	2023
	£	£
Direct Insurance	24,628,598	23,295,261
	<u>24,628,598</u>	<u>23,295,261</u>

21. FINANCIAL RISK MANAGEMENT

**Liquidity Risk – HSF health plan Limited only**

The objective of the Company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows.

The following table shows details of the expected maturity profile of the Company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance and participating investment contract liabilities. Unearned premiums are excluded from this analysis. This table includes both interest and principal cash flows.

2024	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total
	£	£	£	£	£	£
Trade and other liabilities	-	-	443,440	-	-	443,440
Outstanding claims	1,452,128	1,300,106	455,108	-	-	3,207,342
	<u>1,452,128</u>	<u>1,300,106</u>	<u>898,548</u>	<u>-</u>	<u>-</u>	<u>3,650,782</u>
2023	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total
	£	£	£	£	£	£
Trade and other liabilities	-	-	867,529	-	-	867,529
Outstanding claims	1,590,361	1,337,583	484,009	-	-	3,411,953
	<u>1,590,361</u>	<u>1,337,583</u>	<u>1,351,538</u>	<u>-</u>	<u>-</u>	<u>4,279,482</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

21. FINANCIAL RISK MANAGEMENT (continued)

**Credit Risk – HSF health plan Limited only**

The objective of the Company is managing its credit risk exposure is to ensure risk is managed in line with the Company's risk appetite. The Company has established policies and procedures in order to manage credit risk and methods to measure it. The Company's maximum exposure to credit risk for insurance receivables would be 15% of net premiums earned, £4,983,396 (2023: £4,584,787).

The following table shows the carrying value of assets that are neither past due or impaired and the ageing of assets that are past due but not impaired. No assets have been impaired.

Credit Risk as at 31 December 2024	Neither past due nor impaired	Past due less than 30 Days	Past due 31 to 60 days	Past due 61 to 90 days	Past due more than 90 days	Total
	£	£	£	£	£	£
Insurance receivables	-	1,475,208	340,724	-	-	1,815,932
	-	1,475,208	340,724	-	-	1,815,932
Credit Risk as at 31 December 2023	Neither past due nor impaired	Past due less than 30 Days	Past due 31 to 60 days	Past due 61 to 90 days	Past due more than 90 days	Total
	£	£	£	£	£	£
Insurance receivables	-	1,324,263	241,524	-	-	1,565,787
	-	1,324,263	241,524	-	-	1,565,787

**Market Risk – HSF health plan Limited only**

The Company is exposed to price risk arising from fluctuations in the value of financial instruments because of changes in market prices and the risks inherent in all investments. The Company has no significant concentration of price risk. The Company maintaining an appropriate mix of investment instruments to manage the risk.

The Company's sensitivity to a 0.5% increase and decrease in market prices is as follows:

	2024 £	2023 £
0.5% increase		
Movement in bonds	23,839	22,950
Movement in equities	61,763	67,176
0.5% decrease		
Movement in bonds	(23,839)	(22,950)
Movement in equities	(61,763)	(67,176)

The Company's method for sensitivity to interest rate fluctuations has not changed significantly over the year.

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

**21. FINANCIAL RISK MANAGEMENT (continued)**

**Fair Value**

**i. Financial instruments carried at fair value**

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in FRS 102 para 34.22, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair value measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair value measured using valuation techniques in which any significant input is not based on observable market data

	Level1 £	Level2 £	Level3 £	Total £
Equities	12,352,516	-	-	12,352,516
Bonds	4,767,869	-	-	4,767,869
Other	1,453,981	-	-	1,453,981
Cash Funds	609,873	-	-	609,873
Total Financial Instruments	<u>19,184,239</u>	<u>-</u>	<u>-</u>	<u>19,184,239</u>

The carrying amounts of the financial instruments carried at cost or amortised cost approximate to their fair value mainly because of the short maturity of those instruments.

*Currency Risk*

Foreign currency risk, as defined by FRS 102/103, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The company currently does not hold monetary assets denominated in currencies other than the EUR, the functional currency.

# THE HOSPITAL SATURDAY FUND

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2024

31 December 2024

	USD Exposure £	EUR Exposure £	CHF Exposure £	SGD Exposure £	HKD Exposure £	JPY Exposure £	SEK Exposure £	CAD Exposure £
Financial Assets	6,778,396	5,639,775	220,628	112,836	70,720	65,711	249,159	468,620
Cash and cash equivalents	1,516	266,295	-	-	2	-	-	-
Land & Buildings	-	-	-	-	-	-	-	-
Tangible Fixed assets	-	79,042	-	-	-	-	-	-
Debtors	-	1,680,441	-	-	-	-	-	-

31 December 2023

	USD Exposure £	EUR Exposure £	CHF Exposure £	SGD Exposure £	HKD Exposure £	JPY Exposure £	SEK Exposure £	CAD Exposure £
Financial Assets	5,811,855	5,620,880	457,828	-	159,707	-	173,666	369,750
Cash and cash equivalents	6,215	1,097,446	-	-	2	-	-	-
Land & Buildings	-	-	-	-	-	-	-	-
Tangible Fixed assets	-	80,546	-	-	-	-	-	-
Debtors	-	1,519,484	-	-	-	-	-	-

The Company's sensitivity to a 1.0% increase and decrease in exchange rate against GBP is as follows:

	USD Exposure £	EUR Exposure £	CHF Exposure £	SGD Exposure £	HKD Exposure £	JPY Exposure £	SEK Exposure £	CAD Exposure £	
1% increase in rate vs GBP	<b>2024</b>	67,799	76,656	2,206	1,128	707	657	2,492	4,686
	<b>2023</b>	58,181	83,184	4,578	-	1,597	-	1,737	3,698
1% decrease in rate vs GBP	<b>2024</b>	(67,799)	(76,656)	(2,206)	(1,128)	(707)	(657)	(2,492)	(4,686)
	<b>2023</b>	(58,181)	(83,184)	(4,578)	-	(1,597)	-	(1,737)	(3,698)

## 22. CAPITAL MANAGEMENT

The objective of the Company in managing its capital requirements is to ensure that it will be able to continue as a going concern and comply with the regulators' capital requirements of the markets in which the Company operates, while maximising the return to HSF health plan Ltd through the optimising of the capital. The capital structure of the Company consists of reserves.

The Company was in compliance with capital requirements imposed by the regulators throughout the financial year.

The capital requirement of the Company is determined by its exposure to risk and the solvency criteria established by management and statutory regulations. The table below sets out the statutory minimum capital requirement and the Company's available capital.

	2024 £	2023 £
Statutory minimum capital requirement	2,817,099	2,981,432
Total available capital resources	22,024,691	21,766,331
Statutory Minimum Capital Solvency Cover %	782%	730%

**THE HOSPITAL SATURDAY FUND****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2024**

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**23. RELATED PARTY TRANSACTIONS**

No trustee or other person related to the charity had any personal interest in any contract or transaction entered by the charity during the year (2023: £Nil).

The charity received Gift Aid donations during the year from its trading subsidiaries totalling £2,072,500 (2023: £10,228).

**24. POST BALANCE SHEET EVENTS**

There were no significant post balance sheet events.

**THE HOSPITAL SATURDAY FUND**

England & Wales - Charity number 1123381

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# Accounts

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**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT AND GROUP FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2023**



*Paul Jackson, Group Chief Executive, The Hospital Saturday Fund, Lesley Garrett, HSF Patron, Graham Norton, celebrity supporter of Bantry Hospice, presenting €20,000 to Damian Moloney, Bantry Hospice towards their palliative care service, at the Embassy of Ireland 150<sup>th</sup> Anniversary Reception with John Greenwood, Chair, The Hospital Saturday Fund and Ambassador Martin Fraser, Embassy of Ireland.*

UK Registered Company Number: 6039284  
UK Registered Charity Number: 1123381  
Ireland Registered Charity Number: 20104528



**THE HOSPITAL SATURDAY FUND**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2023**

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**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES**

**YEAR ENDED 31 DECEMBER 2023**

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**OFFICERS AND ADVISERS**

<i>Chair</i>	Mr J Greenwood
<i>Vice Chair</i>	Mrs J L Dalton LLB (Hons)
<i>Other Trustees</i>	Mr M Davies Mr D.Fox Mr C Healy Mr J Randel Mrs M Rogers Mr D Thomas
<i>Group Chief Executive</i>	Mr P W Jackson MSc BA (Hons) DChA
<i>Company Secretary</i>	Mrs Pauline Jones CertPFS
<i>Patron</i>	Ms L Garrett CBE FRAM
<i>Principal Bankers</i>	HSBC Bank Plc, London Commercial Banking Centre, Level 6, 71 Queen Victoria Street, London, WC2R 1DJ
<i>Solicitors</i>	Armstrong Teasdale 38-43 Lincoln's Inn Fields, London, WC2A 3PA
<i>Independent Auditors</i>	MHA 6 <sup>th</sup> Floor, 2 London Wall Place London EC2Y 5AU
<i>Investment Managers</i>	LGT Wealth Management UK LLP 14 Cornhill London EC3V 3NR
<i>Registered Office</i>	24 Upper Ground LONDON SE1 9PD  Telephone: 020 7202 1365 Fax: 020 7928 0446 Email: <a href="mailto:charity@hsf.eu.com">charity@hsf.eu.com</a>

**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES**

**YEAR ENDED 31 DECEMBER 2023**

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The Board of Trustees is pleased to present the 16<sup>th</sup> Annual Report comprised of the Report of the Board of Trustees and Strategic Report and the audited financial statements for the year ended 31 December 2023.

**STRATEGIC REPORT**

**Summary**

The Hospital Saturday Fund has been helping people in times of illness or medical need since 15 June 1873. In those days there was no NHS and very little government aid for those who needed it most. This led the Victorian social reformer, the Twelfth Earl of Meath, and others to establish The Hospital Saturday Fund to give working people an opportunity to contribute to the costs of running their local hospitals, so named because Saturday was the traditional pay-day when people were more likely to have a few pennies to spare. Over the years leading to the formation of the NHS in 1948, HSF gradually became a health cash plan but maintained its charitable support for hospitals and medical charities.

The Hospital Saturday Fund is now a grant-making charity which donates to medically associated charities for care and research, and to some individuals with health problems throughout the UK and Ireland. The Hospital Saturday Fund is also the parent of three trading subsidiaries The HSF health plan Ltd, HSF health plan Malta Ltd & HSF Assist Ltd which generate the income from their trading activity to fund the grant-making. HSF health plan Ltd is a company limited by guarantee which provides a range of health cash plan schemes throughout the United Kingdom and the Republic of Ireland. HSF health plan Malta markets health cash plan schemes in Malta. HSF Assist Ltd provides an employee support telephone service to corporate clients.

**Services Agreement**

A Services Agreement between the Charitable Company and HSF health plan Limited has been entered into so that staff and resources will be provided to the Charitable Company by the Trading Company.

**OBJECTIVES AND ACTIVITIES**

**Charitable Objects**

The Charitable Company's principal objects as set out in its Memorandum of Association are:

"the relief of sickness and suffering and giving of help to those who are aged, infirm, unemployed or in need and who require Medical Relief as hereinafter defined or who are pregnant and for the promotion of medical research for the benefit of the public in the United Kingdom of Great Britain and Northern Ireland, Eire, the Channel Islands, the Isle of Man and Malta."

**Impact**

The Trustees of the Charitable Company are aware of their duties under the Charities Act in regard to public benefit. Each Trustee is aware of the general public benefit guidance from the Charity Commission. They aim to discharge that trust by making grants to a great number of medical charities which benefit a wide section of the general public in both the United Kingdom and Ireland. The Board has set in place monitoring and evaluation procedures to review the impact of the work to ensure the aims of the Charitable Company are being met. The trading activities of the subsidiary companies enable The Hospital Saturday Fund to continue its charitable activities.

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR**

The Grant Making Committee continued to operate with the knowledge that however 'deserving' some charities and individuals appeared in their applications, there was not enough money to respond to each one and careful, fair and responsible decisions had to be made. This care was demonstrated in the time taken to examine applications on behalf of individuals and the submissions from charities and by responding as fairly as possible.

**Grants made in the year**

During 2023, HSF processed 609 applications on behalf of individuals and, after careful assessment by the Grant Making Committee, 498 were awarded a grant making a total of £391,282 (2022: £343,953) for the year. A further total of £1,851,335 (2022: £1,758,170) was awarded to 529 medical charities, hospices and hospitals including the special medical school grant. The following pages show a chart and table analysing the grants made in the year by type and by geographical spread. Following these charts are examples of the feedback received from recipients which emphasise the public benefit achieved by the grants.

**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2023**

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

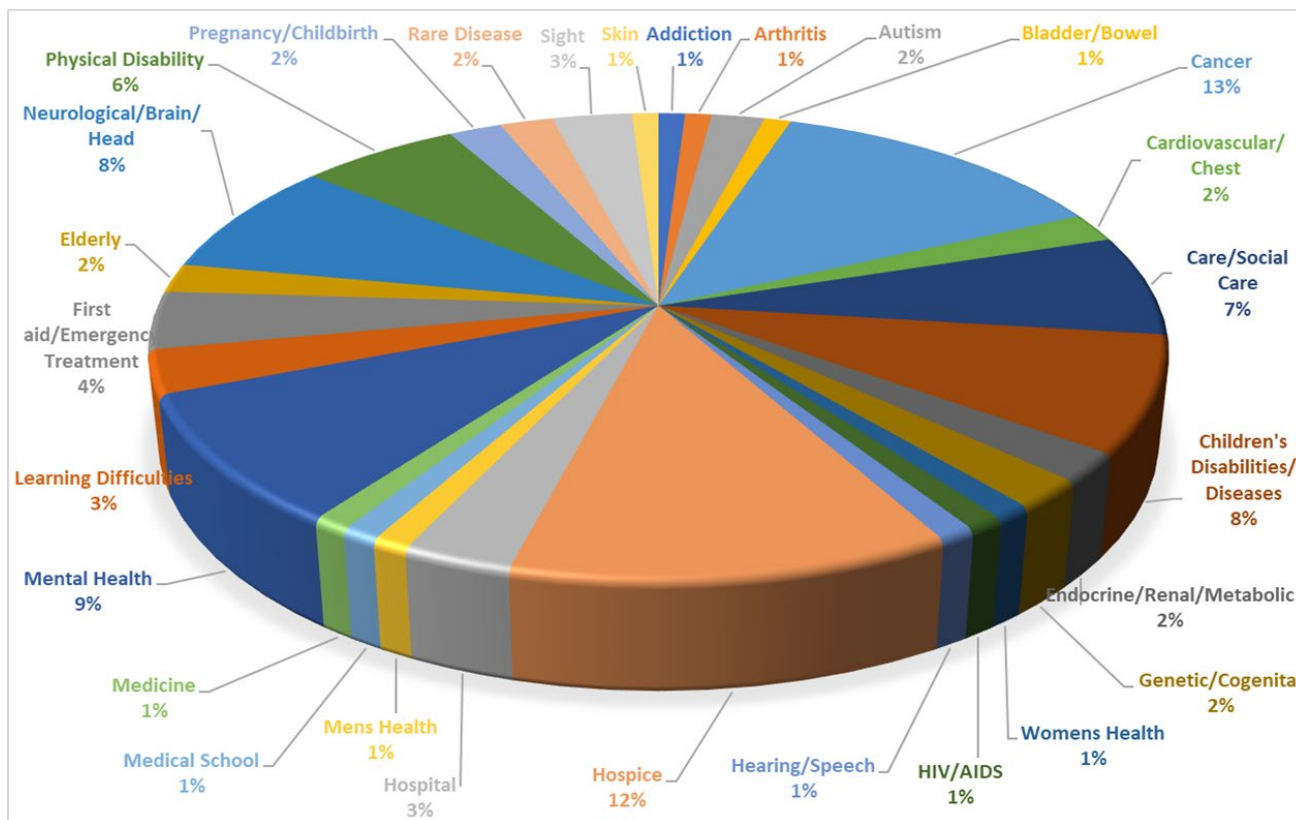
**Annual Receptions**

The Board endeavours to hold a Reception each year in order to present grants in person to representatives of medical charities, hospices and hospitals. The year 2023 was a very special year for the Hospital Saturday Fund as it was our 150th Anniversary. To celebrate this special occasion the Trustees held two charitable receptions in 2023.

A reception was held at the Mansion House in Dublin on 23 February 2023. A total of €136,000 was donated on that evening to Twenty-eight charities based in Ireland. The event was hosted by Caroline Conroy, the Lord Mayor of Dublin, Vice-President of The Hospital Saturday Fund, who attended the reception and presented the grants.

The Trustees also held a very special anniversary event at the Embassy of Ireland in London on 6th June 2023. A total of £160,000 was donated on that evening to 31 charities from the United Kingdom and Ireland. Martin Fraser, Irish Ambassador to Britain, attended the reception and presented the grants. It was a very special evening for the Trustees and the Charity as Mr Graham Norton and Ms Lesley Garrett, our Patron attended the Reception and assisted the Ambassador in presenting the charity grants. Mr Norton is a celebrity supporter of the Bantry Hospice Association, which received a grant for €20,000 on the night.

The following pie chart shows grants awarded by type of charity for the year ended 31 December 2023



The vast majority of grants awarded were for £2,000 (or €3,000), with 24 lesser donations being made. During 2023, 130 higher grants ranging between £2,000 and £10,000 (or €3,000 and €13,500) were awarded to charities where a specific need was deemed by the Committee to warrant a larger award.

The Committee endeavours to ensure that not only is there a wide geographical spread within the grant making but, within the charities supported, there are many different types of illness, disability, care, research and age groups represented.

Further details of the grants given can be found in Note 8 of the accounts on page 33.

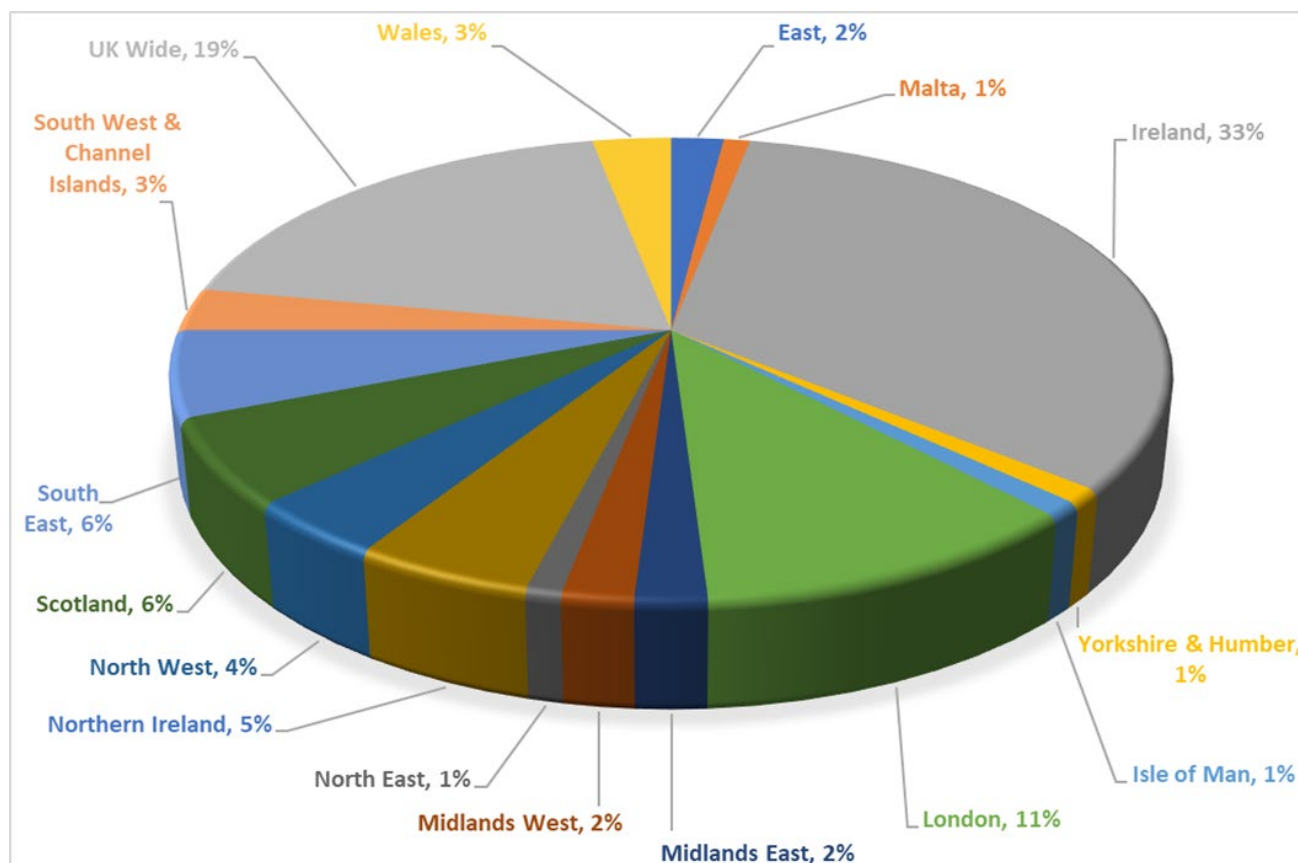
**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2023**

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

Grants are made to both local and national institutions. The following pie chart shows grants awarded by region for the year ended 31 December 2023.



Organisations receiving grants ranged from DEBRA, Charlton Athletic Community Trust, Hospice Isle of Man, Cardiac Risk in the Young in Ireland, Midlands Air Ambulance Charity, Meath Epilepsy Charity, Dublin Wicklow Mountain Rescue Team, Caring Breaks NI, Treloar's, Cure Leukaemia, Siel Bleu Ireland, Swansea University (Medical School), Spina Bifida Hydrocephalus Scotland, Ty Hafan Children's Hospice, Prostate Cancer Research, Richmond Foundation, Kids Together Belfast, Breakthrough Cancer Research, Heel and Toe Children's Charity, North East Sensory Services (NESS), Muscular Dystrophy Ireland, Cheshire Ireland, St. Gabriel's Foundation, Rainbows Hospice for Children and Young People, Medical Detection Dogs, LauraLynn, Ireland's Children's Hospice, HealthBus Trust.

Grants to hospitals were for specific projects, equipment or designated charitable funds.

**Fund Raising**

The Group does not fundraise externally or use any professional fundraiser or any commercial participator in raising its funds.

**Evaluation process**

In meeting the Charities Act requirement to demonstrate public benefit through the grant making process, Trustees consider not only the recipient charities and their applications but also the impact the past awards have had. As such, the Trustees ensure that feedback from recipients is obtained where possible and reviewed for evidence of the grant being used for its correct purpose. In fact, the Trustees commissioned an independent review of the Charity's grant making process. The review was carried out by a MSc Student from Centre for Charity Effectiveness, Bayes Business School, City University of London. The review was extremely positive, and the Trustees discussed the report's recommendations at their Board meeting on 21 March 2023. This review forms part of a series of reviews which have been carried out over the past few years on this area.

**THE HOSPITAL SATURDAY FUND**  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2023**

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

Condensed versions of updates received from grantees are available on our website: <https://www.hospitalsaturdayfund.org/news-archive>. Amongst others, updates on the website relating to work supported by The Hospital Saturday Fund in 2023 refer to:

- A new Gbox scanner for visualising protein levels in cell and tissue sample (University of Plymouth)
- To help fund a PhD research project to find a new treatment for osteosarcoma (Bone Cancer Research Trust)
- To provide a lift to increase capacity of IWA Dundalk Life Skills Programme (Irish Wheelchair Association)
- A dedicated electric car for the Hospice at Home team (Hospice Isle of Man)
- Providing non-surgical hair restoration for severe burn survivors (Katie Piper Foundation)
- To fund activities for residents with profound disabilities (Martha Trust)
- A hydrotherapy pool replacement hoist for children with disabilities (St. Gabriel's Foundation)
- Providing vital mobility equipment and clinical support to young wheelchair users across the UK (Whizz-Kidz)
- Medical Electives for undergraduate medical students (Trinity College Dublin School of Medicine)
- Therapeutic equipment for residents with medical & physical impairments (Richmond Foundation Malta)
- Towards smart upgrades to MDI's Home from Home Apartment (Muscular Dystrophy Ireland)
- A grant towards an Electric Response Vehicle (HealthBus Trust)
- To help fund a PhD research project to find a new treatment for osteosarcoma (Bone Cancer Research Trust)
- Enhancing mental health and well-being of homeless children and young people (Good Shepherd Cork)
- Funding towards an emergency 'Back up' generator (Epilepsy Society)
- A grant towards Surgical Training Equipment (Midlands Air Ambulance Charity)
- Funding towards a national Type 1 Diabetes adolescent weekend camp (Diabetes Ireland)
- To help fund new mattresses for Michael Sobell House's InPatient Unit (Harlington Hospice)
- A grant towards cardiac screening for young people (Cardiac Risk in the Young- CRY)
- Installation of a lift to increase the capacity of Dundalk Life Skills Programme (Irish Wheelchair Association)
- A grant towards an all-terrain power assist wheelchair (Mae Murray Foundation)
- To help fund life-saving kits and equipment for volunteer medic responders. (Irish Community Rapid Response)

In addition, The Hospital Saturday Fund receives many letters of appreciation from grantees. The following are quotations taken from letters sent to the Charity following grants being awarded to each:

**Horatio's Garden**

*Horatio's Garden Northern Ireland is now open in the heart of the Spinal Cord Injuries Unit at Musgrave Park Hospital in Belfast. This peaceful sanctuary will serve around 70 inpatients and 1200 outpatients with spinal injuries annually from across Northern Ireland, a catchment area of 1.9 million people.*

*We look forward to seeing people flourish alongside the garden as we establish a community of patients, staff and volunteers in Horatio's Garden Northern Ireland. We are so grateful to The Hospital Saturday Fund for the generous support of Horatio's Garden Northern Ireland. Thank you.*

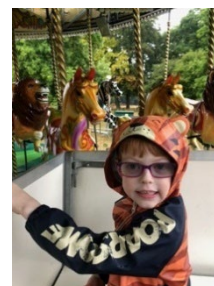


**The Carers' Centre**

*Thanks to funding from The Hospital Saturday Fund, we were able to run 7 events for unpaid carers in rural areas around B&NES in partnership with local Primary Care Networks. These events attracted over 200 attendees, including adult carers, young carers, and their wider families. As part of the events, over 72 health checks were delivered, enabling healthcare professionals to help these unpaid carers manage their own health and care better, for longer.*

**The Pepper Foundation**

*We are extremely grateful to the Trustees of The Hospital Saturday Fund for their wonderful donation of £2,000 in June 2023. Thanks to The Hospital Saturday Fund's generosity, children with life-limiting and life-threatening conditions in Buckinghamshire and Hertfordshire are being cared for in the comfort of their own homes, surrounded by the people and things they love. Thank you for helping to provide the best quality of life for very sick children.*



**THE HOSPITAL SATURDAY FUND  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2023**

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

**Blood Bike Leinster**

*On behalf of Blood Bike Leinster, I extend our heartfelt gratitude for your generous donation of €3000.00 to our organisation. Your support is invaluable and plays a crucial role in our mission to provide a vital service to the community. Thanks to the generous contribution from HSF, we have been able to maintain and operate our fleet of vehicles effectively. The impact of your donation goes beyond the monetary value; it directly translates into the countless lives we touch through our services.*



**Berkshire Vision**

*With this generous grant from The Hospital Saturday Fund, we have been able to keep our peer support groups running for another year. We offer a range of groups, such as for those living with Charles Bonnet Syndrome, or for members who experience dual sensory loss, or for people who have a caring responsibility for someone with sight impairment. We host both face-to-face and remote events so that anyone can join in. We've also started introducing a peer-to-peer group element in our Living Well With Sight Loss courses. Over the last 12 months we have hosted over 30 group events which have been well attended.*

**Spina Bifida Hydrocephalus Ireland (SBHI)**

*Thank you once again for donating €4,000 to SBHI this year. The money was spent on an activity/adventure weekend for our teens who are living with spina bifida and/or hydrocephalus. Activities included team games, climbing wall, quiz, escape room, water sports, combat corps, swimming, movie night and archery. It was great to see everyone having fun over the weekend and participants making lasting connections.*

*Thank you so much to The Hospital Saturday Fund for making the break possible!*



Individuals have also expressed their gratitude and there are extracts from letters below:



**Car Adaptations: Hand Controls, Indicator Switch, Steering Ball**

*I am so grateful for the help I was given as I was sitting at home alone a lot of the time as I could not safely drive without my car being adapted. I now have some of my independence back and I am able to travel when I decide. I have been able to meet with friends and travel when I need to. Which I wasn't able to do before, I would have just sat home alone, before I was supported to get the adaptations to my car. Life-changing for me. Thank you for your support.*

Individual Grant Recipient

**Grant for a Mobility Scooter**

*Many thanks to you, your team, and the funders for helping me purchase my new mobility scooter. I received it yesterday and am so happy with the scooter. It's going to be a huge help to me in the future thanks so much for all your help.*

Individual Grant Recipient



**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2023**

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**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

**Laptop with inbuilt accessibility features**

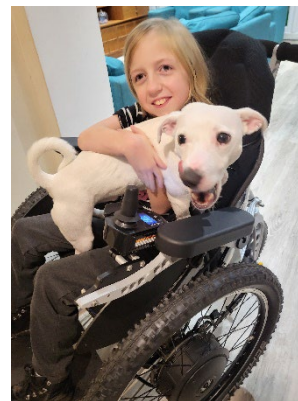
*Many thanks to the Hospital Saturday Fund for supplying the new laptop. It means I can access online art classes facilitated by Spinal Injuries Ireland. I can work from the comfort of my own home and connect with other service users. It's been invaluable to me and to my overall well-being.*

Individual Grant Recipient

**All-terrain Wheelchair**

*Eden got her amazing wheelchair today. Unfortunately, it was dark out so only a quick try this evening. She absolutely loves it. And can't wait to go for a proper walk at the weekend. Thank you so much for all the work and time you have put into getting this for her.*

Parent of Individual Grant Recipient



**Smart Transfer Person Lift – Auto Lift**

*I would like to thank you once again for awarding us this grant. I have spoken with my clients and Wellbeing Co-ordinator.*

Supporter for the Individual

**BrailleNote Touch Plus (portable electronic braille note-taker based on an android tablet)**

*Please accept our sincere Thank You for this support on behalf of Ashleigh and her family.*

Senior Social Worker, Supporter for the Individual

**Grant for a Folding Mobility Scooter**

*Many thanks to you, your team, and the funders for helping me purchase my new mobility scooter. I received it yesterday and am so happy with the scooter. It's going to be a huge help to me in the future, thanks so much for all your help.*

Individual Grant Recipient

**Sing Your Pain Away**

*I am delighted to receive your letter of confirmation for a grant supplied to Sing Your Pain Away for Sheila, to supply her with one year of community singing classes to help with her long-term condition and increase her wellbeing.*

Social Prescriber, Supporter for the Individual



**Mobility Scooter**

*Michael is over the moon with his scooter aptly named 'Rascal' and it has made such a difference to his life being able to independently get out and go visiting. Thanks again for your kind help.*

Social Prescriber, Supporter for the Individual

**THE HOSPITAL SATURDAY FUND**  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2023**

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**



*Twenty-eight Irish Charities receiving grants at the Dublin Reception, held at the Mansion House, €136,000 was donated to the medical charities and organisations. Lord Mayor of Dublin Caroline Conroy hosted the reception and presented the grants.*

**FINANCIAL REVIEW**

**State of affairs**

The Group Statement of Financial Activities for the year is set out on page 22 and shows net outgoing resources before investment gains and losses for the year of £2,640,466, (2022 incoming resources of £2,933,910). Net movement in funds for the year amounted to gains of £287,619, after investment gains of £3,308,511 resulted in a net asset position as at 31 December 2023 of £45,931,384 (2022: £45,643,764). Of these funds, £25,458,256 (2022: £24,539,265) is represented by the net assets of the trading subsidiary.

The trading company HSF health plan Ltd's total profit for the year was £638,446 (2022: £1,208,420). Total premiums (less Insurance Premium Tax) for the year were £30,565,249. Benefits payable (including Personal Accident premiums and helplines) for the year were £24,030,600 and represented 78.6% of premium income. The Directors consider the overall state of affairs to be satisfactory.

The trading company HSF Assist Ltd's total profit for the year was £32,609 (2022: £10,228). Total income for the year was £53,097 (2022: £37,250). The Directors consider the overall state of affairs to be satisfactory.

For the charity alone, total income for the year amounted to £1,582,809 (2022: £2,886,831) including gift aid from the subsidiary companies of £10,228 (2022: £4,211,504). Grants totalling £2,415,657 (2021: £2,161,478) were made during the year, which is considerably in excess of income available for charitable application. These grants were therefore made by utilising expendable endowment funds. After charging the grants and crediting the gift aid payment and realised and unrealised investment gains the endowment fund decreased by £1,374,354 to £17,843,170.

The Trustees are satisfied with the net asset position of the group at the year end and are confident that sufficient funds will be available to meet the future needs of the Charitable Company.

**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2023**

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**Reserves Policy**

The Trustees have established a policy for retaining reserves both in light of the risks the charitable group faces and the Trustees' strategic priorities for their grant making activities. In essence the principal purpose of the reserves are to provide a capital base from which income would be earned to finance the grant making activities. The Trustees' reserve policy is to maintain an expendable endowment at a level of no less than £5m and no greater than £25m, this is to ensure a prudent approach to the risks faced by the Charity and also to ensure the continued level of the Charity's grant-making. This approach has been put in place by the Trustees to avoid the situation where its annual grant-making is reduced or ceases, if the Charity fails to receive a Gift Aid donation from its Trading Subsidiary for a number of years. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances; however, these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees. The charity received large gift aid donations in 2021 & 2022 for the profits made by the trading subsidiary HSF health plan Ltd in the trading years of 2020 & 2021, which was due to the exceptional circumstances that have resulted from the Covid-19 pandemic. However, given we are forecasting that the long-lasting effect of the pandemic and also now the effect of the current inflation situation will likely result in quite low gift-aid donations over the next three years, also as the two largest of the three trading subsidiaries have committed to upgrading its Policyholder Database to improve the level of service provided to their customers, the Trustees are not expecting a large increase in the grant making as a result of the 2020 and 2021 gift aid. Therefore, this will be used to fund the next three years' grant making.

The charity plans carefully to ensure that it budgets in accordance with expected income flows but inevitably short-term fluctuations can occur. In light of this policy residual free reserves will be held at a level sufficient to cover the operational working capital needs of the charity and to provide for short term fluctuations in either falls in investment income year on year, and/or falls in profitability of the trading subsidiary. For clarity trading reserves have been separated from free charitable funds.

At the end of the year free reserves totalled £2,629,958. Although this is a small increase in the level compared with last year of £1,886,977, the continued tough economic climate and its impact on the investment portfolio has meant that grant making activities were all financed from the endowment fund. The Trustees, having reviewed their strategy, are satisfied that the policy is appropriate and satisfied with the level of free reserves. An external review had been carried out in 2019 by a City of London University student, who found our current Reserves Policy is fit for purpose. The policy is reviewed annually by the Board of Trustees to ensure its continuation or to review if there are any required changes to the policy or reserves held and this was approved at the November 2023 Board meeting.

The trading subsidiary HSF health plan Ltd holds reserves of £21,766,331 (2022: £21,127,885) and the trading subsidiary HSF health plan (Malta) Ltd holds reserves of £3,164,898 (2022: £3,366,689). The trading subsidiaries requires reserves of this level to meet its Solvency II requirements as an insurance provider.

**Principal Risks and Risk Assessment**

The Board of The Hospital Saturday Fund regularly assesses the risks to which the Charity is exposed. It agrees how best these risks may be mitigated and the Charity takes the appropriate action to manage these risks. The risks and associated mitigations are all recorded on the organisation's risk register.

The Charitable Company's principal risks are the inability of the investment portfolio to generate income, the failure of its Trading Subsidiary to generate sufficient profits, which support the Charity's annual grant-making and the withdrawal of the UK from the EU and the potential impact on the way the charity is able to operate in the Republic of Ireland. All of these principal risks along with others are monitored closely and where possible control and mitigating action plans are put in place and these are monitored quarterly by the Boards.

The Risk & Compliance Committee of the Charitable Company's Trading Subsidiary monitor the Company's risk exposure in all areas including investment, operational, financial, human resources, sales and business continuity, with the Committees also monitoring their own areas of risk as well. It advises the Board on risk management and policy, while it also keeps under review the effectiveness of these areas. The Chief Risk Officer (CRO) is the Executive Director accountable for enabling the efficient and effective governance of significant risks, and related opportunities, for the Trading Company and this role is the responsibility of the Managing Director. The Chief Risk Officer reports to the Risk & Compliance Committee quarterly to assist the committee with actively monitoring the risks and ensure the controls and appropriate monitoring systems are in place, the CRO is also accountable to the Board of Directors.

The Trading Company has produced various risk registers for the different parts of the business and these are kept under constant review by the various Committees and Board to manage and mitigate risks. Risk & Compliance Committee meet regularly to review and monitor these and reports to the Board. The Board are satisfied with the Risk management policies and procedures in place.

**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2023**

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**Principal Risks and Risk Assessment (continued)**

The main activity of the Trading Company is operator of a medical cash plan and with this business activity, comes the need to take risk. We monitor the profitability of schemes and the claims data regularly, taking action when required and deemed necessary. The scheme premiums are rated on detailed analysis of historic claims data. Under the insurers regulatory regime, we also consider and diligently monitor a wide range of other risk including market, liquidity, interest rate, insurance, operational, concentration among others, this is done by regular consideration of the ORSA (Own Risk and Solvency Assessment), further information on some of these risks can be found in Note 21 and Note 22 of this document.

**Solvency II**

The Solvency II regime, which came into effect on 1 January 2016, has continued throughout 2022. The most significant requirement under Solvency II is the submission to the Prudential Regulatory Authority (PRA) on a regular basis (usually annually) of the Own Risks and Solvency Assessment (ORSA), following approval of the Board. The ORSA was approved at the Board meeting in September 2023 and was subsequently submitted to the PRA. The Board will continue to monitor this activity and ensure the company continues to satisfy their solvency requirements.

**Investments & Investment Policy**

Under the Memorandum and Articles of Association, the Trustees of the Charitable Company have the power to make any investments which the Trustees see fit. On 25 November 2021 the Board appointed Abrdn Capital Limited as Investment Managers, who replaced UBS AG. Although Abrdn Capital Limited were appointed in November 2021 the transfer of investments didn't take place until after the year end, with this switch taking place in January 2022. Abrdn Capital Limited have since been takeover by LGT Wealth Management, with this takeover being completed in September 2023.

The Trading Company's Investment Policy is linked to the Prudential Regulation Authority solvency requirements. Its Investment Policy reflects a low to medium risk profile, which is similar to that of the overall Charitable Group. The Charitable Company's portfolio produced a net gains of £3,168,653 on the investments held. Both the Trading Company's & Charitable Company's Investment Policies are reviewed annually by the Charitable Company's Investment Committee.

The Charitable Company follows a composite benchmark of a weighted index of the markets represented within the adopted asset allocation, i.e. the index relating to the specific asset class is multiplied by the percentage, which that particular asset class represents of the whole portfolio, and then these are added together to create the composite benchmark.

The Charitable Company's investment performance in the year under performed the benchmark by 2.7% with the portfolio performance figure of 9.7% against a benchmark of 12.4%. The investment policy adopted by the Charitable Company is a long-term policy which covers a 10 year time horizon but due to the investment policy switch to Abrdn which took place In January 2022 we are only able to measure the performance since the inception of the portfolio with Abrdn.

The Charitable Company's ethical investment policy is that no investment may be made in any company that derives any of its income from tobacco manufacturing or earns more than 10% from tobacco related products. To further enhance the Charitable Company's ethical investment policy all holdings in the portfolio held with LGT Wealth are held in Socially Responsible and Sustainable Strategy. Since April 2018, the strategy invests in companies that are exhibiting a highly sustainable approach to their business looking at environmental, social and governance criteria. This investment strategy was introduced when working with UBS and has continue under Abrdn / LGT Wealth.

**Remuneration policy**

The Board of Trustees is satisfied that the Trading Subsidiary's staff salaries are benchmarked against market levels, using salary surveys and job comparison searches obtained from reputable recruitment agencies. The Trading Subsidiary's Human Resources Committee monitor and review on an annual basis.

**Post Brexit – Third country branch**

To maintain our long-standing provision of service in the Republic of Ireland (ROI), since 1949. the Board of Directors and Senior Leadership Team, in consultation with their advisors, liaised closely with the Central Bank of Ireland (CBI) to continue trading in ROI following the conclusion of the transition period on 31<sup>st</sup> January 2020. On the 4<sup>th</sup> of January 2021 the CBI issued the company with a letter and certificate of authorisation confirming the company's status in Ireland as a Branch in the state of a Third Country Insurance Undertaking. The company has operated under these new regulatory arrangements throughout 2023.

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2023**

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**FUTURE PLANS**

The Trustees hold a Reception each year in order to present grants in person to representatives of medical charities, hospices and hospitals. One such event was hosted at the City Chambers in Glasgow on 29 February 2024. Twenty-five charities were presented with grants on this occasion and the event was hosted by Jacqueline McLaren, the Lord Provost of Glasgow, Vice-President of The Hospital Saturday Fund.

In 2024, it is expected that grants awarded to medical charities, hospitals and hospices will be in the region of £2,250,000 and recipients are already receiving funds. This will be even more appreciated as charities experience a decline in funding, generally, during these difficult times.

The Charity relies on the success of its Trading Subsidiaries, HSF Health Plan Ltd, HSF Health Plan (Malta) Ltd and HSF Assist Ltd, not only to maintain but potentially to increase the size of its expendable endowment and therefore to increase the amount of charitable grants. The Trustees look forward to extending their grant making in the long-term resulting in a greater contribution to the work of the medical charity sector.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**The Association**

The Association performs an important role in the overall governance of the Charitable Company and the governing document is the Articles of Association dated 16 October 2019 and amended 17 November 2022. The Members of the Association are responsible for electing the Board and Honorary Officers of the Charitable Company.

The Association comprises up to 100 Members (excluding Honorary Officers) whose services will, in the opinion of the Board, be advantageous to The Hospital Saturday Fund. Appointment is for a period of three years, but renewable. From time to time the Board recommends to the Association that some Members should be elected for their lifetime, in recognition of particular service. The President, Vice Presidents and Life Members of the Association are listed below.

<b>President</b>	The Right Honourable The Lord Mayor of London
<b>Vice-Presidents</b>	The Right Honourable The Earl of Meath The Right Honourable The Lord Mayor of Dublin The Right Honourable The Lord Provost of Glasgow The Right Honourable The Lord Mayor of Belfast Mr K R Bradley MCMI
<b>Life Members of the Association</b>	Mr. K Lawrey JP LLB MA MSc (Econ) Barrister (Gray's Inn) Mr. T A Botly Mr. M J Boyle FCA Miss. D O Denton JP Mr. R Dool Mr. L I Fellman Mrs. P E Lee (resigned 4 <sup>th</sup> September) Mr. A M Rees LLB BA FCIPD Mr. W N Smith

The Association held two General Meetings during the year, the first being the Annual General Meeting which was held on 11 May 2023 at Guildhall, London. The President and Vice Presidents (listed above) were elected. Recognising that some civic offices change hands at times of the year not close to the Fund's AGM, authority was given to the Board to invite the successors of those elected to serve in the appropriate Honorary Officer capacity.

At an Extraordinary General Meeting held on 4 October 2023, Mr John Greenwood was re-elected as Chair of the Association and Board, also at this meeting Mr Mark Davies, and Mr David Thomas were elected for a three-year term as Trustees.

**Board of Trustees**

The Board comprises the Chair and seven other Trustees. The Trustees are also Directors of the Charity for the purposes of the Companies Act. The Chief Executive and the Company Secretary attend Board Meetings.

At each Board Meeting, Trustees receive reports from the Board of HSF Health Plan Limited and annually they appoint two Members of the Association, who are not Trustees, to attend the Annual General Meeting of HSF Health Plan Limited with full voting rights.

The Trustees are covered by qualifying third party indemnity insurance, paid by HSF Health Plan Limited, which was in place throughout the year and remains in force at the date of this report.

At each Board Meeting, Trustees receive reports from the Board of HSF Assist Limited and HSF Health Plan (Malta) Ltd.

Following the introduction of the Charity Governance Code in July 2017 and further updates in 2020, The Charity has sought to follow the principles throughout its Governance structure and processes.

**THE HOSPITAL SATURDAY FUND**  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2023**

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**Appointment, Induction and Training of the Trustees**

Trustees are appointed to the Charity Board through a nomination and election process by the Members of the Association. They are appointed for a term of office of three years. The Association Members, by virtue of the Articles of Association, decide who serves as Non-Executive Directors of HSF Health Plan Limited and who should serve the Grant Making Committee.

On appointment, all new Trustees receive thorough induction and training, which includes receiving detailed information about the Charity via a Trustee Manual, including its Memorandum and Articles, latest accounts, latest financial reports and minutes of recent Trustees' meetings. In addition, new Trustees attend an induction process at head office, where they are briefed by the Chief Executive and key staff on all aspects of the Charity's operations, staffing and organisation management. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Trustee training is provided by the Charitable Company as required. Trustees are encouraged to attend appropriate external training courses / seminars to enhance their expertise and are required to undertake the Association of Financial Mutuals / Chartered Insurance Institute health cash plan training module which concludes with an examination. Those who serve the trading company are also encouraged to attend external training appropriate for Non-Executive Directors managing an insurance company regulated by the Prudential Regulation Authority.

**Board Responsibilities (including section 172 statement)**

The Board are aware of their responsibilities under Companies Act 2006 Section 172, which confirms that the directors must act in the way they consider to be in utmost good faith, and would be most likely to promote the success of the company for the benefit of its Policyholders. They have considered this in light of its particular structure and relationships by having regard (amongst other matters) to the likely long term consequences of any Board decision, acting in the interests of the company's employees, and the need to foster the company's business relationships with suppliers, customers and other key stakeholders. The impact of the company's operations and business activity on the community and the environment, should ensure that the company continues to maintain a strong reputation for high standards of business conduct, noting that the company primarily seeks to generate funds for its parent charity to be applied to its charitable purposes. Relevant aspects of this are noted elsewhere in this report

**Grant Making Committee, Policies and Procedures**

The Committee meets every quarter and reports directly to the Board. In addition to the two Trustees elected as Chair, Mr Dominic Fox and Vice Chair, Mr Cal Healy, the Committee includes appointed members Mrs Natalie Bennett (until 4 September 2023), Mr Andrew Gilbert, Mr Cal Healy, Mr Paul Jackson, Mrs Pauline Jones, Mr Keith Lawrey, Mrs Carol Murphy, Mr Cathal Nolan, Mrs Margaret Rogers, Mr Andrew Tee (from 27 November 2023), and Mr Glyn Tomlinson. Mr Fox was elected Chair and Mr Healy was elected Vice Chair of the Grant Making Committee on 27 November 2023.

Grants are awarded to national and local medical charities, hospitals and hospices throughout the UK, Ireland and Malta. Grant making guidelines for both individuals and organisations (medical charities, hospices and hospitals) are drawn up and approved by the Board. For individuals this means that applications are only accepted through a third party who has some involvement in the care of the applicant, e.g. doctor, social worker or another charity, and the demonstrated need is required to have a strong medical connection. Hospitals are required to state a particular capital project or charity within their hospital to receive their grant. Detailed guidelines for our grant making policy are available on our website [www.hospitalsaturdayfund.org](http://www.hospitalsaturdayfund.org).

The Grant Making Committee members and Trustees of The Hospital Saturday Fund take the opportunity to visit charities or attend their receptions in order to gain a greater overall knowledge.

**Auditor**

Following a rebranding exercise on 15 May 2023, the trading name of the Company's independent auditor changed from MHA MacIntyre Hudson to MHA. The auditors, MHA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**THE HOSPITAL SATURDAY FUND**  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2023**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Report, Strategic Report, and the financial statements in accordance with applicable law and regulations.

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). The Trustees have also applied the basis of preparation FRS102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and FRS103 Insurance Contracts. 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

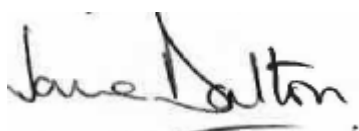
So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

ON BEHALF OF THE BOARD ON 9<sup>th</sup> April 2024



JOHN GREENWOOD  
Chair



JANE DALTON  
Vice-Chair

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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For the purpose of this report, the terms “we” and “our” denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of The Hospital Saturday Fund. For the purposes of the table on pages 15 to 16 that sets out the key audit matters and how our audit addressed the key audit matters, the terms “we” and “our” refer to MHA. The Group financial statements, as defined below, consolidate the accounts of The Hospital Saturday Fund and its subsidiaries (the “Group”). The “Parent Charitable Company” is defined as The Hospital Saturday Fund, as an individual entity. The relevant legislation governing the Parent Charitable Company is the United Kingdom Companies Act 2006 (“Companies Act 2006”).

**Opinion**

We have audited the financial statements of The Hospital Saturday Fund for the year ended 31 December 2023.

The financial statements that we have audited comprise:

- the Consolidated Income Statement
- the Consolidated Statement of Financial Activities
- the Group and Charity Balance Sheets
- the Consolidated Statement of Cash Flows
- Notes 1 to 26 to the consolidated financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group and Parent Charitable Company’s financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and Financial Reporting Standard 103 Insurance Contracts (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 of the Parent Charitable Company’s affairs as at 31 December 2023 and the Group’s incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit & Finance Committee.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, and we have fulfilled our ethical responsibilities in accordance with those 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.

Our evaluation of the Trustees’ assessment of the Group’s and the Parent Charitable Company’s ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Group and the Parent Charitable Company’s operations and specifically their business model for the provision of health cash plans and for the parent as a grant-making charity.
- The evaluation of how those risks might impact on the available financial resources.
- Where additional resources may be required, the reasonableness and practicality of the assumptions made by the Trustees when assessing the probability and likelihood of those resources becoming available.
- Solvency considerations including review of insurance provisions as at the year-end.
- The consideration of the solvency position of subsidiary entities required for regulatory purposes.
- Viability assessments at Group and Parent Charitable Company levels, including consideration of reserve policies, budgets, forecasts and business plans.

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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 and 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.

**Overview of our audit approach**

**Scope** Our audit was scoped by obtaining an understanding of the Group, including the Parent Charitable Company, and its environment, including the Group’s system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Trustees that may have represented a risk of material misstatement.

We, and our component auditors acting on specific group instructions, undertook full scope audits on the complete financial information of all 3 components.

<b>Materiality</b>	<b>2023</b>	<b>2022</b>	
<b>Group</b>	£1,377,900	£1,369,300	3% (2022: 3%) of net assets
<b>Parent Charitable Company</b>	£1,195,100	£1,223,200	3% (2022: 3%) of net assets

**Key audit matters**

- Recurring**
- Fraud risk in Income recognition
  - Estimates of provisions for outstanding claims liabilities

**Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Fraud risk in income recognition**

**Key audit matter description** Fraud risk in income recognition is a Key Audit Matter and also under auditing standards a ‘significant audit risk’ unless otherwise rebutted. Income could be over or under stated as to mislead the performance of the group.

**How the scope of our audit responded to the key audit matter** We undertook the following procedures to assess the fraud risk in income recognition:

- We assessed the design and implementation of key controls around the recording of premium income.
- We performed key control testing on new joiners, ensuring that they are accurately and promptly entered into the policyholder system.
- We considered whether the systems used enabled adherence to the income recognition and measurement criteria of the stated accounting policies.
- We performed substantive analytical review procedures reconciling expected premium income from the policyholder database to that which had been recorded in the financial statements to ensure that income was complete, together with tests of detail.
- We reviewed other sources of income and agreed to supporting documentation where relevant, or else were able to rebut the presumption of significant fraud risk.

**Key observations communicated to the Group’s Audit & Finance Committee** We found that the approach taken by management on the recognition of income (and premium income) to be materially complete and accurate and met the requirements of the accounting standards. Our audit work did not identify any instances of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND

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**Estimates of provision for outstanding claims liabilities**

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**Key audit matter description** As described in accounting policy 1p, provisions are made at the year-end for the estimated costs of claims incurred, but not settled, at the balance sheet date, including the cost of claims incurred but not yet reported. As this assessment requires judgements, it is considered a key area of focus for the audit due to the material value of the provision.

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**How the scope of our audit responded to the key audit matter** We undertook the following procedures to assess the estimates of provision for outstanding claims liabilities:

- We assessed the methodologies used in order to calculate the claim provisions at the year end.
- We tested this methodology by substantive analytical review which included the review of historic provision against actual results, review of any changes in methodology used in the current year as compared to previous years, the expected provision based on historical patterns, and the reasonableness of the methodology in light of other information available.
- We considered where applicable alternative estimation approaches including consideration of actuarial assessments and reviews of post year end payments in order to provide assurance over the potential for material misstatement.
- The accounting policy was checked to the financial reporting standards where necessary and confirmed to be appropriate.

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**Key observations communicated to the Group's Audit & Finance Committee** We concluded that the value of the provision for outstanding claims is within an acceptable range and has been recorded and classified appropriately, and is consistent with required financial reporting standards.

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**Our application of materiality**

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Group was set at £1,377,900 (2022: £1,369,300) which was determined on the basis of 3% (2022: 3%) of the Group's net assets. Materiality in respect of the Parent Charitable Company was set at £1,195,100 (2022: £1,223,200), determined on the basis of 3% (2022: 3%) of the Parent Charitable Company's net assets. Net assets was deemed to be the appropriate benchmark for the calculation of materiality as this is a key area of the financial statements with which the users of the financial statements are principally concerned.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Group was set at £1,171,200 (2022: £1,163,900) and at £1,015,800 (2022: £1,039,700) for the Parent Charitable Company which represents 85% (2022: 85%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding £68,800 (2022: £66,400) and £59,700 (2022: £61,100) in respect of the Group and Parent Charitable Company respectively to the Board of Trustees as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

**Overview of the scope of the Group and Parent Charitable Company audits**

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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**The scope of our audit**

In addition to the parent charitable company, the group consists of 3 reporting components.

- HSF health plan Limited
- HSF Assist Limited
- HSF health plan (Malta) Limited

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, of the 3 reporting components of the group, we identified all 3 components in the UK or Europe which represent the principal business units within the Group.

**Full Scope audits:** HSF health plan Limited and HSF Assist Limited were considered to be significant components of the Group. All significant components were subjected to full scope audits for the purposes of our audit report on the group financial statements.

The group audit team performed the audit of all significant components of the group.

**Specified procedures:** HSF health plan Malta Limited was not considered to be a significant component of the group. In order to obtain an appropriate level of audit evidence in respect of these transactions and balances we instructed component auditors to perform specific procedures focussing on the areas where we identified a heightened risk of material misstatement. We reviewed the reports and working papers prepared by the component auditors. Where appropriate we challenged the judgements and conclusions made by the component auditors. As part of our direction of their work we also had regular interactions with them to discuss the nature and progress of their work including any issues arising from their work.

**The control environment**

We evaluated the design and implementation of those internal controls of the Group, including the Parent Charitable Company, which are relevant to our audit, such as those relating to the financial reporting cycle.

**Climate-related risks**

In planning our audit and gaining an understanding of the Group and Parent Charitable Company, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks.

We have agreed with management's assessment that climate-related risks are not material to these financial statements, specifically with regards to the portfolio of investments held, freehold property and claims provisions, owing to the short tail nature of insurance operations.

**Reporting on 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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**Strategic report and Report of the Board of Trustees**

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Report of the Board of Trustees.

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received by branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, 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 the 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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**Identifying and assessing potential risks arising from irregularities, including fraud**

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Group's, including the Parent Charitable Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, Charities Act, regulatory and supervisory requirements of the Financial Conduct Authority (FCA), Prudential Regulatory Authority (PRA) and UK tax legislation or those that had a fundamental effect on the operations of the Group.
- We enquired about the existence of, and investigated the findings of, any communication with regulators that had occurred during the year.
- Legal and professional expenditures were reviewed for any instances of any legal or regulatory communication or payments which had not been disclosed.
- We enquired of the directors and management including the Audit and Finance committee concerning the Group's and the Parent Charitable Company's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates particularly in determining expected insurance claim losses.
- The group engagement team shared this risk assessment with the component auditors of significant subsidiaries so that they could include appropriate audit procedures in response to such risks in their work.

**Audit response to risks identified**

In respect of the above procedures:

- We corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Charitable Company's Board of Trustees, and Audit & Finance committee meetings, inspection of legal and regulatory correspondence and correspondences from the regulators the PRA and the FCA;
- audit procedures performed by the engagement team in connection with the risks identified included:
  - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
  - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
  - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
  - enquiry of management around actual and potential litigation and claims.
  - challenging the assumptions and judgements made by management in its significant accounting estimates, and
  - obtaining confirmations from third parties to confirm existence of a sample of balances.
- the Group and the Parent Charitable Company operate in a highly regulated insurance industry. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and the component auditors and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**HOSPITAL SATURDAY FUND  
YEAR END 31 DECEMBER 2023**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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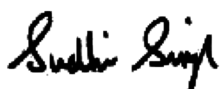
**Other requirements**

We were appointed by the Directors on 29 November 2019. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 5 years.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Company, and we remain independent of the company in conducting our audit.

**Use of our report**

This report is made solely to the Parent Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Charitable Company and the Parent Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Sudhir Singh FCA (Senior Statutory Auditor)**

for and on behalf of

**MHA**

Statutory Auditor

London, United Kingdom

Date: 19 April 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

**THE HOSPITAL SATURDAY FUND**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023		2022	
		£	£	£	£
<b>TECHNICAL ACCOUNT GENERAL BUSINESS</b>					
Earned premiums					
Gross premiums written	2	30,664,490		30,321,555	
Change in the gross provision for unearned premiums		(74,233)		186,828	
Gross premiums earned			30,590,257		30,508,383
Less: reinsurance premiums			-		-
Net premiums earned			30,590,257		30,508,383
<b>Claims incurred</b>					
Gross claims paid	20	(23,295,261)		(20,959,708)	
Change in the gross provision for claims outstanding		(143,771)		16,065	
			(23,439,032)		(20,943,643)
<b>Net operating expenses</b>			(8,323,593)		(6,996,587)
<b>Balance on the technical account for general business</b>			(1,172,368)		2,568,153
<b>NON-TECHNICAL ACCOUNT</b>					
<b>Investment income</b>					
Income from other financial investments	3	954,172		920,457	
Interest receivable	3	18,565		7,762	
Realised (losses) / gains - other financial investments	10	(380,426)		(488,675)	
Unrealised gains - other financial investments	10	3,308,511		-	
Investment expenses and charges		(258,247)		(267,646)	
Unrealised (losses) – other financial investments	10	-		(4,501,309)	
			3,642,574		(4,329,411)
<b>Other income</b>					
Donations and legacies received		825		1,122	
Net income from trading activities		279,754		295,473	
Other charges – charitable activities		(2,355,395)		(1,930,724)	
			(2,074,816)		(1,634,129)
<b>Profit before tax</b>			395,390		(3,395,387)
<b>Taxation</b>	14		(107,600)		1,371,766
<b>Profit for the year after tax</b>			287,789		(2,023,621)

The profit on ordinary activities before tax is wholly attributable to continuing activities.

The notes on pages 25 to 43 form part of these financial statements.

**THE HOSPITAL SATURDAY FUND**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 Unrestricted Charity £	2023 Trading £	2023 Charity Expendable Endowment £	2023 Total £	2022 Total £
<b>Income and endowments:</b>						
Donations and legacies		825	-	-	825	1,122
Trading activities	7	-	30,643,353	-	30,643,353	30,545,902
Investment income	3	531,521	441,216	-	972,736	928,219
Total incoming resources		<u>532,346</u>	<u>31,084,569</u>	<u>-</u>	<u>31,616,915</u>	<u>31,475,243</u>
<b>Expenditure on:</b>						
Raising funds – trading activities	5	<u>270,898</u>	<u>(32,043,200)</u>	<u>(69,421)</u>	<u>(31,841,723)</u>	<u>(26,379,855)</u>
<b>Amounts available for charitable application</b>		803,244	(968,631)	(69,421)	(224,808)	5,095,388
Charitable activities	8	<u>(2,415,657)</u>	<u>-</u>	<u>-</u>	<u>(2,415,657)</u>	<u>(2,161,478)</u>
<b>Net (outgoing)/incoming resources before investment gains and losses</b>		(1,612,414)	(958,631)	(69,421)	(2,640,466)	2,933,910
Gift aid donation		-	(10,228)	10,228	-	-
Gain on revaluation of tangible assets		-	-	-	-	-
Realised investment loss	10	-	(422,822)	42,397	(380,426)	(488,675)
Unrealised investment gain / (loss)	10	-	2,310,673	997,838	3,308,511	(4,501,309)
Transfer between funds	15	2,355,395	-	(2,355,395)	-	-
<b>Net movement in funds for the year</b>		<u>742,981</u>	<u>918,991</u>	<u>(1,374,354)</u>	<u>287,619</u>	<u>(2,056,074)</u>
<b>Funds brought forward</b>		<u>1,886,977</u>	<u>24,539,265</u>	<u>19,217,523</u>	<u>45,643,764</u>	<u>47,699,838</u>
<b>Funds carried forward at 31 December 2023</b>		<u><u>2,629,958</u></u>	<u><u>25,458,256</u></u>	<u><u>17,843,170</u></u>	<u><u>45,931,384</u></u>	<u><u>45,643,764</u></u>

The notes on pages 25 to 43 form part of these financial statements

All transactions are derived from continuing activities.

The statement of financial activities includes the income and expenditure account.

All recognised gains and losses are included in the statement of financial activities.

## GROUP AND CHARITY BALANCE SHEETS

AT 31 DECEMBER 2023

	Notes	2023		2022	
		Group £	Charity £	Group £	Charity £
<b>FIXED ASSETS</b>					
Tangible assets	9	5,013,205	-	4,976,701	-
Investments	10	36,760,996	35,053,242	33,592,343	33,872,056
		<u>41,774,201</u>	<u>35,053,242</u>	<u>38,569,343</u>	<u>33,872,056</u>
<b>CURRENT ASSETS</b>					
Debtors	11	2,346,324	47,942	3,120,087	9,398
Cash at bank and in hand		7,101,472	4,894,806	8,792,140	6,885,656
		<u>9,447,796</u>	<u>4,942,749</u>	<u>11,912,227</u>	<u>6,895,054</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(4,510,085)</u>	<u>(156,596)</u>	<u>(4,186,590)</u>	<u>7,653</u>
<b>NET CURRENT ASSETS</b>		<u>4,937,711</u>	<u>4,786,153</u>	<u>7,725,638</u>	<u>6,902,707</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>46,711,912</u>	<u>39,839,395</u>	<u>46,294,981</u>	<u>40,774,763</u>
<b>DEFERRED TAXATION</b>	14	<u>(780,529)</u>	<u>-</u>	<u>(651,217)</u>	<u>-</u>
<b>NET ASSETS</b>		<u><u>45,931,384</u></u>	<u><u>39,839,395</u></u>	<u><u>45,643,764</u></u>	<u><u>40,774,763</u></u>
Representing:					
<b>FUNDS</b>					
Unrestricted funds					
- General funds	15	2,629,958	19,664,308	1,886,977	19,664,308
- Trading funds	15	25,458,256	-	24,539,265	-
Expendable endowment fund	15	17,843,170	20,175,087	19,217,523	21,110,455
		<u>45,931,384</u>	<u>39,839,395</u>	<u>45,643,765</u>	<u>40,774,763</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 9<sup>th</sup> April 2024 and were signed below on its behalf by:



JOHN GREENWOOD  
Chair



JANE DALTON  
Vice Chair

The notes on pages 25 to 43 form part of these financial statements.

**THE HOSPITAL SATURDAY FUND**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Notes	2023 £	2022 £
<b>Reconciliation of net movement in funds for the year to net operating cash flows</b>			
Net movement in funds for the year		287,789	(2,023,621)
Taxation		107,600	(1,371,766)
Exchange (gains) / losses		-	(44,271)
Unrealised (gains) / losses on other financial investments		(3,308,511)	4,501,309
Realised losses / (gains) on other financial investments		380,426	488,675
Income from other financial investments and cash	3	(972,737)	(928,219)
Depreciation and amortisation		223,515	215,956
(Increase) in debtors		773,763	(700,248)
(Decrease) / Increase in creditors		323,494	(691,805)
<b>Net cashflow from operating activities</b>		<u>(2,184,661)</u>	<u>(553,990)</u>
<b>Cash flows from investment activities</b>			
Income received from other financial investments	3	954,172	920,457
Interest received	3	18,565	7,762
Exchange gains / (losses)		(348,008)	14,271
Purchases of tangible fixed assets	9	(270,594)	(170,326)
Acquisition of subsidiaries		-	(638,461)
Purchases of other financial investments		(7,951,500)	(24,578,629)
Sales of other financial investments		8,091,358	23,379,683
<b>Net cashflow from investing activities</b>		<u>493,993</u>	<u>(1,065,243)</u>
(Decrease) in cash holdings		(1,690,668)	(1,619,233)
Cash and cash equivalents at 1 January		8,792,140	10,411,373
Cash and cash equivalents at 31 December		<u>7,101,472</u>	<u>8,792,140</u>
<b>Analysis of cash and cash equivalents</b>			
Cash in hand		7,101,472	8,792,140
<b>Total cash and cash equivalents</b>		<u>7,101,472</u>	<u>8,792,140</u>

**ANALYSIS OF CHANGES IN NET CASH**

	At 1 January 2023 £	Cashflows £	Capital Contribution to subsidiary £	At 31 December 2023 £
Cash	8,792,140	(1,690,668)	-	7,101,472
<b>Total</b>	<u>8,792,140</u>	<u>(1,690,668)</u>	<u>-</u>	<u>7,101,472</u>

There was no net debt in the current and prior year

# THE HOSPITAL SATURDAY FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1. ACCOUNTING POLICIES

The Hospital Saturday Fund is a charitable company limited by guarantee and is incorporated in the England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are that of a grant giving charity.

The charity constitutes a public benefit entity as defined by FRS 102. 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 Standards applicable in the UK and Republic of Ireland (FRS 102 & FRS103), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

These accounts consolidate the accounts of the Charitable Company and its wholly owned non-charitable trading subsidiaries companies HSF health plan Limited, HSF Assist Limited and HSF health plan (Malta) Ltd. As permitted by Section 408 of the Companies Act 2006 and in accordance with paragraph 397 of the Charities SORP 2015, no separate SOFA has been presented for the Charitable Company alone.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### a) Gift of investment in HSF health plan Limited

The investment is carried at the Trustees' estimate of valuation of the company at 1 April 2007, the date of gift from the company, less any provision for permanent diminution in value. In 2021 the Trustees' acquired a further subsidiary of HSF health plan (Malta) Ltd and this is carried at the Trustees' estimate of valuation of the company at 13 January 2021, the date of the investment in the company plus the valuation of the additional investment in 2022.

#### b) Incoming resources

All incoming resources are included within the Statement of Financial Activities (SOFA) where the charity has legal entitlement to the income, after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Incoming resources represents donations, income of the trading subsidiaries and investment income. All income is accounted for on a receivable basis.

#### Premiums

Earned premiums represent premium income from policyholders for the year, excluding insurance premium tax and including amounts due on 31 December and subsequently received.

Re-Insurance premiums are deducted from gross premiums earned for the Personal Accident as this is underwritten by a third party. These Re-Insurance premiums are in relation to Accident and Health and this agreement ended on the 31<sup>st</sup> January 2021.

Provision is made for premiums received, but not earned at the balance sheet date.

All premiums arise in the United Kingdom and Ireland.

#### c) Tangible Fixed Assets

The group has adopted the revaluation method in relation to its freehold property. Land and buildings occupied by the Company for its own purposes are stated at valuation less depreciation. Depreciation is applied to both the land and building as the land element is not identified separately. Depreciation in excess of historical costs is charged to the gains on investment/property.

Other Fixed Assets are stated at historical cost less accumulated depreciation. Costs include expenditure directly attributed in making the asset capable of operating as an asset.

Depreciation is provided on all tangible assets at rates calculated to write off the cost or valuation less estimated residual value of assets in equal instalments over their expected useful lives. Assets costing below £1,000 are expensed to the SOFA in the year of acquisition. The rates used are as follows on a straight line basis:-

Freehold property	2%
Furniture, fixtures and fittings	20%
Computer equipment	25%

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1. ACCOUNTING POLICIES (continued)

##### d) Investments

Investments are recognised initially at fair value which is normally the transactional price, in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' subsequently they are reserved at fair value. Listed investments are regularly marked to market with gains and losses taken to the Statement of Financial Activities. The basis for determining the fair value is the quoted market price in an active market; which is level 1 of the fair value hierarchy. Investments in subsidiaries are recognised at cost value.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and market value at the previous financial year-end or cost if the investment was acquired subsequently.

##### e) Interest Receivable

Interest receivable is recognised in the Statement of Financial Activities in the year in which it is receivable using the effective interest method.

##### f) Pension Costs

The Group makes contributions to employees' group personal pension plans. The pension cost charge charged to the Statement of Financial Activities in the year represents contributions payable by the group to the group personal pension plans in respect of the year.

##### g) Redundancy

Redundancy costs arising from periodic reviews of staff levels are charged against profit in the year in which legal or contractual recognition occurs.

##### h) Expenditure

Expenditure is accounted for on an accounts loss and classified under functional headings on a direct cost basis. Expenditure is recognised where there is a legal or contractual obligation to issue a payment to a 3<sup>rd</sup> party, it is probable trust settlement will be required and the amount of the obligation can be measured reliably. Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration, internal and external audit costs and IT support. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 4.

##### i) Claims Incurred

Claims incurred represent benefits payable to policyholders for the year and include a provision for claims in respect of the year to 31 December settled after that date.

##### j) Fund accounting

Unrestricted funds comprise accumulated surpluses on general and trading funds.

General funds comprise the accumulated surplus from the Statement of Financial Activities which are neither restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company.

Trading funds are the accumulated trading surpluses and revaluation surplus of the trading subsidiary.

Expendable endowment funds arise where the terms of the gift aid donation stipulate that the funds are to be treated as capital but may be expended at the discretion of Trustees within the objects of the charity.

Accordingly, the Trustees have the right but not the duty to expend the capital as they see fit.

##### k) Deferred Taxation

Full provision is made for deferred tax assets and liabilities within the trading subsidiary accounts in respect of all non-permanent timing differences that have originated but not reversed at the balance sheet date based on tax rates substantially enacted at the balance sheet date. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

##### l) Operating Leases

Rentals costs payable under operating leases are charged to the Statement of Financial Activities over the period of each lease.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1. ACCOUNTING POLICIES (continued)

##### m) Translation of Foreign Currency

Transactions in foreign currencies are converted monthly at the average monthly rates of exchange. At the year-end assets and liabilities are converted at the exchange rates ruling at that date. Exchange differences are taken to the Statement of Financial Activities.

##### n) Grants

Grants are recognised in the accounts when awarded by the Grant Making Committee and committed to and the recipient has been notified of the award. The grants are awarded at the discretion of the Trustees within the objects of the Charitable Company.

##### o) Financial instruments

The company enters basic financial instruments transactions that result in the recognition of financial assets and liabilities like debtors arising out of direct insurance operations, trade payables, loans to related parties and investments in non-puttable ordinary shares. The company has applied the requirement of Section 11 and 12 of the FRS 102 framework for the measurement of its financial instruments. Financial instruments are initially recognised at their transaction cost.

Basic financial instruments are subsequently measured at amortised cost using the Effective Interest Rate (EIR) The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

Equity instruments and non-basic financial instruments are subsequently measured at their fair value.

The company holds the following types of financial instrument.:

- Debtors – trade and other debtors are financial instruments and are debt instruments measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received as detailed in the Balance Sheet on page 10. Prepayments amounting to £206,525 (2022: £505,569) for the Company are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in the Balance Sheet on page 11. Amounts due to taxation and social security are not included in the financial instrument disclosure.
- Investments – these are non-puttable ordinary shares are measured at fair value with the exception of the investment in the subsidiaries which are stated at cost. Listed investments are regularly marked to market with gains and losses taken to the Income Statement. The basis for determining the fair value is the quoted market price in an active market; which is level 1 of the fair value hierarchy. Realised gains and losses on investments are calculated as the difference between net sales proceeds and market value at the previous financial year-end or cost if the investment was acquired subsequently. Impairment – Financial instruments that are measured at fair value are assessed at the end of each reporting period for objective evidence of impairment. If such evidence is identified an impairment loss is recognised in the statement of comprehensive income.
- Impairment – Financial instruments that are measured at fair value are assessed at the end of each reporting period for objective evidence of impairment. If such evidence is identified an impairment loss is recognised in the statement of comprehensive income.

##### p) Provisions

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the Company. The estimate cost of claims includes expenses to be incurred in settling claims and a deduction for the expected value of recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its material claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the outcome will prove to be different from the original liability established.

Provision is also made at the year-end for the estimated unearned premium income at the balance sheet date. The Company takes all reasonable steps to ensure that it has appropriate information regarding its material unearned premium exposure. However, given the uncertainty in establishing unearned premiums provisions, it is likely the outcome will prove to be different from the original liability established.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1. ACCOUNTING POLICIES (continued)

##### q) Significant judgments and estimates

The group requires management to make significant judgements and estimates in the preparation of the financial statements. The items in the financial statements where these judgements and estimates have been made include as follows:

- Estimate - Foreign Currency - the translation of foreign currency into the reporting currency.
- Judgement - Technical provisions - the most significant judgement and estimate in the accounts is the technical provisions and debtors, as it can take up to six months after the year end before establishing the ultimate cost of claims incurred and premiums paid but not yet recognised to the Company and the final outcome could be better or worse than the provisions. The Directors use a calculation based on claims and premium trends from the previous two years to estimate the provisions required at the year end. In 2022 there has also been an inclusion in the claims technical provisions for the Personal Accident claims following this coming in-house in February 2021. Due to this being a new area of business for the company and also due to the larger value differences between individual claims values the provision has utilised 4 years of historical data to generate a weighted average which is then multiplied by the number of open claims at the period end with a further inclusion of an additional value for claims which have been incurred but not received.
- Estimate - Land & Buildings - the fair value of the freehold property has been based on the value provided by an independent chartered surveyor in 2021. Even though the value was carried out in the prior year the Trustees believe this to continue to be a fair value for the freehold property, there is an estimated uncertainty in this as no third party valuation was carried out at the current year end.

##### r) Employee Benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The Charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

##### s) Tax

The Charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. The taxation charge arising in the year relates to the operation of the Trading Subsidiaries.

##### t) Deferred Tax

Deferred tax is generated from the activities of the charities trading subsidiaries. Full provision is made for deferred tax assets and liabilities within the accounts in respect of all timing differences, which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is recognised only if it can be regarded as probable that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

##### u) Going Concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charities ability to continue as a going concern. The charity therefore continues to adopt the going concern basis in preparing these financial statements.

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

<b>2. PREMIUM INCOME</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Total direct insurance premiums	32,235,328	31,826,932
Less direct insurance premium tax	(1,570,838)	(1,505,377)
	<u>                    </u>	<u>                    </u>
Gross direct premiums written	<u>30,664,490</u>	<u>30,321,555</u>

The Company is engaged in only one class of business, Accident and Health, providing a range of health cash plan schemes. All premium income relates to direct insurance business arising in the United Kingdom, Republic of Ireland and Malta. All premiums received are individual periodic premiums with are based on non-participating contracts.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
United Kingdom	13,630,730	12,953,036
Republic of Ireland	17,008,752	17,363,748
Malta	25,008	4,771
	<u>                    </u>	<u>                    </u>
Gross premiums written	<u>30,664,490</u>	<u>30,321,555</u>

<b>3. INVESTMENT INCOME</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Charity</b>	<b>Group</b>	<b>Charity</b>	<b>Group</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Income from other financial investments	527,735	954,171	366,321	920,457
Interest receivable	3,786	18,565	1,831	7,762
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>531,521</u>	<u>972,736</u>	<u>368,152</u>	<u>928,219</u>

<b>4. NET INCOME FOR THE YEAR</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
The net income for the year is stated after charging:		
Depreciation	223,515	215,956
Auditors' remuneration:		
Audit of the charity	11,000	9,000
Audit of the subsidiaries	48,700	39,500
Operating leases	134,499	136,510
	<u>                    </u>	<u>                    </u>

<b>5. ANALYSIS OF TOTAL RESOURCES EXPENDED</b>	<b>Direct costs</b>	<b>Grant funding</b>	<b>Support costs</b>	<b>2023 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Raising funds</b>				
Charity	(201,477)	-	-	(201,477)
Subsidiaries	23,439,032	-	8,604,168	32,043,200
<b>Charitable activities (Note 8)</b>	-	2,355,395	60,263	2,415,658
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Group Total</b>	<u>23,237,555</u>	<u>2,355,395</u>	<u>8,664,431</u>	<u>34,257,381</u>

All grants in the year were funded from the expendable endowment. The charitable activities support costs for 2023 is a negative balance due to the effect of exchange variance gains made in the year which forms part of this.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

5.	ANALYSIS OF TOTAL RESOURCES (continued)	Direct costs £	Grant funding £	Support costs £	2022 Total £
	<b>Raising funds</b>				
	Charity	(145,213)	-	-	(145,213)
	Subsidiaries	20,943,643	-	5,581,425	26,525,068
	<b>Charitable activities (Note 8)</b>	-	2,102,123	59,355	2,161,478
	<b>Group Total</b>	<u>20,798,430</u>	<u>2,102,123</u>	<u>5,640,780</u>	<u>28,541,333</u>

All grants in the year were funded from the expendable endowment.

ANALYSIS OF SUPPORT COSTS

	2023 Total £	2022 Total £
Policy Services	393,231	341,934
Staff Costs	4,783,237	4,472,763
Property Costs	493,352	189,820
Sales & Marketing Costs	431,666	331,068
Administration Costs	1,772,549	1,432,428
Governance Costs	441,394	258,804
Exchange Variance	241,400	(14,271)
Tax Movement	107,600	(1,371,766)
<b>Total</b>	<u>8,664,431</u>	<u>5,640,780</u>

ANALYSIS OF GOVERNANCE COSTS

	2023 Total £	2022 Total £
Internal Audit	38,927	-
External auditors' remuneration		
- Audit services	59,700	48,500
Governance and professional support	342,767	210,304
<b>Total</b>	<u>441,394</u>	<u>258,804</u>

6. STAFF COSTS

**Charity**

The charity employs no staff, all staff are employed by the trading subsidiaries – HSF health plan Limited & HSF health plan (Malta) Ltd.

	2023 £	2022 £
Wages and salaries	3,896,594	3,741,138
Social security costs	430,348	378,378
Pension costs	456,295	353,247
	<u>4,783,238</u>	<u>4,472,763</u>
The average number of persons employed during the year was:		
Sales	20	19
Administration	58	52
	<u>78</u>	<u>71</u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**6. STAFF COSTS (continued)**

	<b>2023</b>	<b>2022</b>
The number of employees whose annual emoluments exceeded £60,000 were:-		
£60,001 - £70,000	7	4
£70,001 - £80,000	2	4
£80,001 - £90,000	3	4
£90,001 - £100,000	3	1
£100,001 - £110,000	2	2
£110,001 - £120,000	1	-
£140,001 - £150,000	1	1
£160,001 - £170,000	1	-
£210,001 - £220,000	-	1
£240,001 - £250,000	1	-
£290,000 - £300,000	-	1
£310,001 - £320,000	1	-
	<u>7</u>	<u>18</u>

Contributions totalling £240,015 (2022: £185,682) were made to group personal pension plans in respect of the 22 (2022: 18) employees above.

None of the trustees were remunerated during the year for their services as trustees of the parent Charitable Company. Expenses totalling £30,416 (2022: £46,687) were reimbursed to eight trustees (2022: eight) of the parent Charitable Company for travel, accommodation and subsistence.

Key Management personnel for the Hospital Saturday Fund are only the Trustees as the Charity does not employ any staff. Key management personnel within its trading subsidiary HSF health plan Limited are the Non-Executive Directors, Executive Directors and Head of Departments and total salary and benefits provided total £1,067,895 (2022: £964,506).

There were termination payments in the year totalling £8,296 (2022: £Nil). This includes one statutory redundancy payments, payments in lieu of notice and non-contractual payments (2022: None). The non-contractual payments were made under the authority of the Directors when considered to be in HSF health plan Ltd best interest to avoid potential significant HR/legal costs.

Five Trustees received remuneration during the year for performance of their duties as Directors of the trading subsidiary HSF health plan Ltd. In accordance with the Charity Commission advice the two Trustees who are not remunerated, form the Remuneration Committee:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Mrs J L Dalton	6,954	6,698
Mr M Davies	13,604	16,641
Mr J Greenwood	8,870	8,544
Mr J Randel	12,728	14,172
Mr D Thomas	11,753	14,207
	<u>53,909</u>	<u>60,262</u>

Contributions totalling £Nil (2022: £1,366) were made to personal pension plan in respect of none (2022: 1) of the Directors above.

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**7. RESULTS OF SUBSIDIARIES**

HSF health plan Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF health plan Limited, incorporated in the UK (number 30869), is a health cash plan organisation and donates its surplus annual taxable profits to the Charity under Gift Aid. The results of HSF health plan Limited are detailed below:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	30,565,249	30,503,727
Claims paid and reinsurance	(23,427,563)	(20,943,499)
Net operating expenses	(8,191,301)	(6,709,910)
	<u>(1,053,615)</u>	<u>2,850,318</u>
Balance on the technical account for general business		
Investment income and gains	1,812,425	(2,784,880)
Other income	-	-
	<u>758,810</u>	<u>65,438</u>
Profit before taxation		
Profit for the year after taxation	<u><u>638,446</u></u>	<u><u>1,208,420</u></u>
<b>BALANCE SHEET</b>		
Fixed assets	23,335,029	21,578,980
Net current assets	(735,513)	261,726
Deferred taxation	(833,184)	(712,820)
	<u>21,766,331</u>	<u>21,127,886</u>
<b>NET ASSETS</b>		
<b>FUNDS</b>		
General reserve	21,766,331	21,127,885
	<u>21,766,331</u>	<u>21,127,885</u>

HSF Assist Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF Assist Limited, incorporated in the UK (number 8139547), is a helpline organisation and donates its surplus annual taxable profits to the Charity under Gift Aid. The results of HSF Assist Limited are detailed below:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	53,097	37,520
Helplines and counselling	(14,143)	(16,747)
Other admin costs inc gift aid donation	(6,344)	(10,545)
	<u>32,609</u>	<u>10,228</u>
Profit for the year after taxation		
<b>BALANCE SHEET</b>		
Net current assets	32,610	10,228
	<u>32,610</u>	<u>10,228</u>
<b>NET ASSETS</b>		
<b>CAPITAL AND RESERVES</b>		
Share capital	1	1
Profit and loss account	32,609	10,227
	<u>32,610</u>	<u>10,228</u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**7. RESULTS OF SUBSIDIARIES (continued)**

HSF health plan (Malta) Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF health plan (Malta) Limited, incorporated in Malta (registration number: C 93406), is a health cash plan organisation. The results of HSF health plan (Malta) Limited are detailed below:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	25,008	4,655
Claims paid and reinsurance	(11,469)	(144)
Net operating expenses	(341,588)	(360,548)
Balance on the technical account for general business	(328,049)	(291,754)
Investment income and gains	346,962	(704,419)
Other income	223,948	257,954
(Loss) / Profit before taxation	242,861	(802,502)
(Loss) / Profit for the year after taxation	255,625	(573,718)
<b>BALANCE SHEET</b>		
Fixed assets	2,732,333	2,601,114
Net current assets	379,910	703,972
Deferred taxation	52,655	61,603
<b>NET ASSETS</b>	3,164,898	3,366,689
<b>FUNDS</b>		
General reserve	3,164,898	3,366,689
	3,164,898	3,366,689

**8. GRANTS**

	<b>Grants to Institutions</b>	<b>Grants to Individuals</b>	<b>Support Costs</b>	<b>2023 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
During the year the following grants were made:				
Medical charities	1,800,260	-	46,059	1,846,320
Hospitals and hospices	180,244	-	4,612	184,855
Welfare grants to individuals	-	334,891	8,568	343,459
Other medical/welfare related organisations	40,000	-	1,023	41,023
	2,020,504	334,891	60,263	2,415,657
	1,493,712	-	42,176	1,535,888
Medical charities	1,493,712	-	42,176	1,535,888
Hospitals and hospices	254,458	-	7,185	261,643
Welfare grants to individuals	-	343,953	9,712	353,665
Covid-19 fund grants	10,000	-	282	10,282
Other medical/welfare related organisations	1,758,170	343,953	59,355	2,161,478

A full list of grants to institutions is available on the Charity website (<https://hospitalsaturdayfund.org/grant-updates/>).

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

9. TANGIBLE FIXED ASSETS	Charity		Group		
	Computer Equipment £	Total £	Freehold property £	Furniture Fixtures and Fittings £	Total £
<b>COST OR VALUATION</b>					
At 1 January 2023	12,000	12,000	4,995,000	2,061,555	7,068,555
Additions in year	-	-	-	270,594	270,594
Disposals in year	-	-	-	(243,478)	(243,478)
	<u>12,000</u>	<u>12,000</u>	<u>4,995,000</u>	<u>2,088,671</u>	<u>7,095,671</u>
<b>DEPRECIATION</b>					
At 1 January 2023	12,000	12,000	199,800	1,880,054	2,091,854
Charge for year	-	-	99,900	(109,288)	(9,388)
	<u>12,000</u>	<u>12,000</u>	<u>299,700</u>	<u>1,770,766</u>	<u>2,082,466</u>
<b>NET BOOK VALUE</b>					
At 31 December 2023	-	-	4,695,300	317,905	5,013,205
At 31 December 2022	-	-	4,795,200	181,501	4,976,701

The Company owns a freehold property at 24 Upper Ground, London SE1 9PD which is used for the Company's own activities. The property was valued on 18 February 2021, the fair value of the property was £4,995,000 on an open market basis by an independent valuer, Egerton chartered surveyors. At the date of the revaluation, the directors believed the property had a useful economic life of at least 50 years. The directors have reassessed the valuation at 31 December 2023 which has confirmed no material change or impairment. The historical cost as of the 31 December 2023 was £822,500 (2022: £822,500).

10. INVESTMENTS	2023		2022	
	Group £	Charity £	Group £	Charity £
Market value at 1 January	33,592,343	33,872,056	36,744,834	31,378,967
Additions	7,951,500	3,451,424	24,578,629	14,815,474
Disposals	(8,091,358)	(3,268,075)	(23,229,811)	(11,606,476)
Unrealised gains / (losses)	3,308,511	997,838	(4,501,309)	(715,909)
Market value at 31 December	<u>36,760,996</u>	<u>35,053,243</u>	<u>33,592,343</u>	<u>33,872,056</u>
Historical cost at 31 December	<u>33,676,166</u>	<u>34,145,995</u>	<u>36,591,750</u>	<u>34,270,834</u>
<b>At market value</b>				
United Kingdom investments (listed)	4,451,784	2,905,631	3,923,602	2,356,603
Overseas equity investments (listed)	22,338,899	9,860,387	22,027,724	9,938,345
Bonds (listed)	7,905,097	2,622,917	5,427,819	1,912,800
Other (listed)	1,450,619	-	1,623,503	-
Cash Fund (unlisted)	614,598	-	589,695	-
<b>At cost value</b>				
Investment in HSF health plan Limited (unlisted)	-	15,865,576	-	15,865,576
Investment in HSF health plan (Malta) Ltd (unlisted)	-	3,798,732	-	3,798,732
	<u>36,760,996</u>	<u>35,053,243</u>	<u>33,592,343</u>	<u>33,872,056</u>

The investment in HSF health plan Limited represents the reserves of HSF health plan Limited at the point at which the ownership was donated to The Hospital Saturday Fund. The consolidated statement of financial activities includes unrealised gains of £3,308,511 (2022 losses of: £4,501,309) and realised losses of £380,426 (2022 losses of: £488,675)

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

11. DEBTORS	2023		2022	
	Group £	Charity £	Group £	Charity £
Insurance operation debtors	1,565,787	-	2,041,337	-
Other debtors	574,012	-	573,181	-
Prepayments and accrued income	158,583	47,942	505,569	9,398
	<u>2,346,324</u>	<u>47,942</u>	<u>3,120,087</u>	<u>9,398</u>

12. CREDITORS: amounts falling due within one year	Note	2023		2022	
		Group £	Charity £	Group £	Charity £
Insurance operations provisions	13	4,299,701	-	4,061,774	-
Trading operations creditors and accruals		270,884	-	154,043	-
Other creditors and accruals		160,590	156,596	(7,653)	(7,653)
Taxes and social security		(49,794)	-	(21,574)	-
		<u>4,510,085</u>	<u>156,596</u>	<u>4,186,590</u>	<u>(7,653)</u>

13. MOVEMENTS IN INSURANCE OPERATION PROVISIONS

	2023 £	2022 £
Claims Provision		
Claims provision brought forward (including IBNR)	3,268,276	3,284,353
Payments during the year in respect of those provisions	(3,017,529)	(2,921,412)
Adjustment to prior year's provision	(250,747)	(362,941)
Movement in provision during the year	3,414,060	3,268,276
Net loss provision carried forward in respect of outstanding claims	<u>3,414,060</u>	<u>3,268,276</u>
Unearned Premium Provision		
Unearned premium provision brought forward	793,498	980,240
Premiums during the year in respect of those provisions	(793,498)	(980,239)
Movement in provision during the year	885,641	793,498
Net loss provision carried forward in respect of unearned premiums	<u>885,641</u>	<u>793,498</u>
Net loss provision carried forward in respect of insurance operations	<u>4,299,701</u>	<u>4,061,774</u>

The provisions detailed above would be expected to be materially realised within six months of the year end due to the nature of our business and the terms and conditions of our policies.

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

<b>14. DEFERRED TAXATION</b>	<b>Liability on Property revaluation</b>	<b>Short term Timing difference</b>	<b>Fixed asset - timing differences</b>	<b>Losses and other deductions</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2023	(838,322)	39,891	11,851	113,651	(672,929)
Profit and loss account	(1)	26,144	(43,134)	(90,610)	(107,600)
Other comprehensive income	-	-	-	-	-
At 31 December 2023	<u>(838,323)</u>	<u>66,035</u>	<u>(31,283)</u>	<u>23,041</u>	<u>(780,529)</u>
	<b>Liability on property revaluation</b>	<b>Short term timing different</b>	<b>Fixed asset - timing differences</b>	<b>Losses and other deductions</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2022	(838,322)	(1,219,132)	37,310	-	(2,020,144)
Profit and loss account	-	1,280,735	(25,459)	113,651	1,368,927
Other comprehensive income	-	-	-	-	-
At 31 December 2022	<u>(838,322)</u>	<u>61,603</u>	<u>11,851</u>	<u>113,651</u>	<u>(651,217)</u>

Reversal of deferred tax liabilities in respect of property revaluation is uncertain due to its dependency on prevailing market conditions. In the calculation of the deferred tax the future tax rate of 25% has been taking into consideration.

The tax charge in the Income Statement is made up as follows.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Corporation tax (see below)	120,364	(1,142,982)
Movement on deferred tax provision on property revaluation	-	-
	<u>120,364</u>	<u>(1,142,982)</u>

The tax assessed for the year differs from the standard corporation tax rate in the UK of 23.52% (2022: 19.00%).

The differences are explained below:

UK Profit on ordinary activities before tax	758,810	65,438
Corporation tax at the standard rate of 23.52% thereon (2022: 19.00%)	178,476	12,433
Effects of:		
Amounts not deductible for tax purposes	3,979	2,165
Fixed asset differences	21,597	9,272
Losses carried back	-	6,623
Dividend and distribution income	(90,810)	(97,520)
Adjustment to tax charge in respect of previous periods – deferred tax	-	(8,714)
Deferred tax (charged) directly to equity	-	-
Remeasurement of deferred tax for changes in tax rates to 25%	7,122	(272,224)
Adjustment for profits gift aided to parent, charged to reserves	-	(795,017)
UK Corporation tax on profit	<u>120,364</u>	<u>(1,142,982)</u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**14. DEFERRED TAXATION (continued)**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
The tax assessed for the year differs from the standard corporation tax rate in the Malta of 35.00% (2022: 35.00%). The differences are explained below:		
Malta Profit on ordinary activities before tax	242,861	(802,502)
Malta Corporation tax at the standard rate of 35.00% thereon (2022: 35.00%)	85,002	(280,876)
Effects of:		
Amounts not deductible for tax purposes	23,948	33,728
Dividend and distribution income	-	(895)
Unrealised gains on bonds	(19,860)	19,517
Unrealised gains on equities	(143,082)	-
Unrealised gains on alternatives	8,028	-
Prior year adjustment	-	(258)
	<u>(12,764)</u>	<u>(228,784)</u>
Malta Corporation tax on profit on ordinary activities	(12,764)	(228,784)
UK Corporation tax on profit on ordinary activities	120,364	(1,142,982)
Malta Corporation tax on profit on ordinary activities	(12,764)	(228,784)
	<u>107,600</u>	<u>(1,371,766)</u>
Corporation tax on profit on ordinary activities	107,600	(1,371,766)

**15. MOVEMENT ON FUNDS**

	At 1		Movement in funds		Gains on Investments/ Property	Transfers	Balance at 31 December 2023
	January 2023	January 2023	Incoming resources	Resources expended			
Unrestricted funds	£	£	£	£	£	£	£
General funds	1,886,977	532,346	(2,144,759)	-	2,355,395	2,629,958	2,629,958
Trading funds	24,539,265	31,084,569	(32,043,200)	1,887,850	(10,228)	25,458,256	25,458,256
	<u>26,426,242</u>	<u>31,616,915</u>	<u>(34,187,959)</u>	<u>1,887,850</u>	<u>2,345,167</u>	<u>28,088,215</u>	<u>28,088,215</u>
<b>Expendable Endowment</b>	19,217,523	-	(69,421)	1,040,235	(2,345,167)	17,843,000	17,843,000
<b>Total funds</b>	<u>45,643,764</u>	<u>31,616,915</u>	<u>(34,257,380)</u>	<u>2,928,085</u>	<u>-</u>	<u>45,931,384</u>	<u>45,931,384</u>

	At 1		Movement in funds		Gains on Investments/ Property	Transfers	Balance at 31 December 2022
	January 2022	January 2022	Incoming resources	Resources expended			
Unrestricted funds	£	£	£	£	£	£	£
General funds	1,346,304	369,274	(1,930,724)	-	2,102,123	1,886,977	1,886,977
Trading funds	27,465,904	31,105,969	(26,525,068)	(3,934,498)	(3,573,043)	24,539,264	24,539,264
	<u>28,812,208</u>	<u>31,475,243</u>	<u>(28,455,792)</u>	<u>(3,934,498)</u>	<u>(1,470,920)</u>	<u>26,426,241</u>	<u>26,426,241</u>
<b>Expendable Endowment</b>	18,887,630	-	(85,541)	(1,055,486)	1,470,920	19,217,523	19,217,523
<b>Total funds</b>	<u>47,699,838</u>	<u>31,475,243</u>	<u>(28,541,333)</u>	<u>(4,989,984)</u>	<u>-</u>	<u>45,643,764</u>	<u>45,643,764</u>

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 15. MOVEMENT ON FUNDS (continued)

##### Expendable endowment fund

The principal purpose of the expendable endowment fund is to provide a capital base from which income is earned to finance the grant making activities. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances however these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees. Transfer of funds represents the gift aid donation from trading subsidiaries to The Hospital Saturday Fund and the drawdown of expendable endowment to fund grants awarded in the year. The Reserves Policy is to maintain the Expendable Endowment at a level no less than £5m and no greater than £22m. The charity received large gift aid donations in 2021 & 2022 for the profits made by the trading subsidiary HSF health plan Ltd in the trading years of 2020 & 2021, which was due to the exceptional circumstances that have resulted from the Covid-19 pandemic. However, given we are forecasting that the long-lasting effect of the pandemic and also now the effect of the current inflation situation will likely result in quite low gift-aid donations over the next three years, also as the largest of the three trading subsidiaries has committed to upgrading its Policyholder Database to improve the level of service provided to its customers, the Trustees are not expecting a large increase in the grant making as a result of the 2021 gift aid. Therefore, this will be used to fund the next three years' grant making this is evident in this year where there is a £2.3m drawdown transfer to fund the grant making in the year.

##### Trading fund

The principal purpose of the trading fund is to generate and provide income to the charity through its trading subsidiaries activities. The fund represents the current balance sheet value of HSF health plan Limited, HSF Assist Limited and HSF health plan (Malta) Ltd.

#### 16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2023 are represented by	Total Funds £	Unrestricted funds		Expendable Endowment £
		General Fund £	Trading Fund £	
Tangible fixed assets	5,013,205	-	5,013,205	-
Investments	36,760,996	-	21,372,062	15,388,935
Cash at bank and in hand	7,101,472	2,738,611	1,908,625	2,454,236
Net assets	(2,163,761)	(108,653)	(2,055,107)	-
Deferred tax	(780,529)	-	(780,529)	-
<b>Total Net Assets</b>	<b>45,931,384</b>	<b>2,629,958</b>	<b>25,458,256</b>	<b>17,843,170</b>

Fund balances at 31 December 2022 are represented by	Total Funds £	Unrestricted funds		Expendable Endowment £
		General Fund £	Trading Fund £	
Tangible fixed assets	4,976,701	-	4,976,701	-
Investments	33,592,642	-	19,384,894	14,207,748
Cash at bank and in hand	8,792,140	1,869,924	1,912,441	5,009,775
Net assets	(1,066,503)	17,051	(1,083,554)	-
Deferred tax	(651,217)	-	(651,217)	-
<b>Total Net Assets</b>	<b>45,643,764</b>	<b>1,886,977</b>	<b>24,539,265</b>	<b>19,217,523</b>

The Trading and Total Funds includes non-distributable reserves of £Nil (2022: £Nil) due to inclusion of the revaluation reserve.

#### 17. PENSION COSTS

The trading subsidiary, as the employer in the group, makes contributions to group personal pension plans. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable for the year by the trading subsidiary to the personal pension plans and amounted to £523,623 (2022: £416,206).

At the balance sheet date, there were outstanding contributions of £53,562 (2022: £Nil)

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 18. OPERATING LEASE COMMITMENTS

At 31 December 2023, the Group had annual commitments under operating leases which expire as follows:

	2023		2022	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	20,775	96,218	24,844	67,007
In the second to fifth years inclusive	3,462	134,183	28,984	24,444
	<u>24,237</u>	<u>230,401</u>	<u>53,828</u>	<u>91,451</u>

#### 19. CONTINGENT LIABILITIES

No provision has been made for any levy which the trading subsidiary, HSF health plan Ltd may be called upon to pay under the provisions of the Policyholders Protection Act 1975 as the likelihood of this arising is considered to be remote. The maximum amount of any such levy in respect of the current financial year would be £306,395 (2022: £303,168).

#### 20. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS

This section has been broken down in to the key natures of risk arising, these are Market, Underwriting, Counterparty Default, Operational and Insurance.

##### Market Risk

##### Key Risks

The key drivers of the charge are asset class spread and equity risks. HSF health plan's asset portfolio contains a relatively conservative mix of bonds and equities.

##### Controls

To minimise risk and secure long term growth and inflation protection a diversified spread of assets in the form of property, equities, fixed interest securities, pooled funds and bank deposits are held currently using two fund managers, three banks, the High Court of Ireland and HSF itself. No derivatives, options, or stock loans are underwritten or directly held, although some pooled/hedge funds will have some exposure.

##### Risk Appetite

HSF health plan's appetite for market risk is relatively medium to low. The tolerance limits for Market Risk are detailed in HSF health plan's Risk Appetite document. As at the date of this report, there are no known breaches of market risk tolerances and the business is expected to remain within appetite over the life of the business plan.

##### Underwriting Risk

##### Key Risks

- Unexpected increase in claims frequency or deterioration in reserves
- Inadequate identification of current and emerging underwriting risks
- Sustained soft market resulting in falling premium rates resulting in inadequate volume of business to support operations

##### Controls

The short-tailed nature of its liabilities offer a predictable and stable book of reserves which render a risk profile commensurate with its risk appetite. The main driver of HSF health plan's Underwriting risk is the exposure to catastrophe risk which is generated due to the health nature of the insurance policies sold. HSF health plan has robust underwriting controls to mitigate its exposure under catastrophe risk and align it to its risk appetite and strategic business plan. Re-Insurance was used to remove all risks associated with the personal accident as a third party underwrites this while this was insured by a third party. This remained in place until the 31 January 2021, after this date the underwriting of the personal accident was brought inhouse to the company, due to this being similar to existing underwriting risks it was not assessed as a significant risk and continues to be.

##### Risk Appetite

As at the date of this report, there are no known breaches of underwriting risk tolerances and the business is expected to remain within appetite over the life of the business plan.

##### Counterparty Default Risk

##### Risk Capital

HSF health plan's Counterparty Default Risk (CDR) draws a capital charge of just under £0.5m (2022: just under £0.5m), which equates to approximately 25% of its undiversified capital charge.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 20. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS (continued)

##### Key Risks

The main driver of the CDR is HSF health plan's cash at HSBC, Ulster Bank, AIB, Brewin Dolphin and ABRDN which is unrated.

##### Controls

- Monthly reviews of broker balances
- Semi-annual asset allocation review

##### Risk Appetite

HSF health plan's tolerance thresholds for CDR is documented in greater detail in its Risk Appetite document. As at the date of this report, there are no known breaches of CDR risk tolerances and the business is expected to remain within appetite over the life of the business plan.

##### Operational Risk

HSF health plan's policy is to maintain an acceptable balance between the risk of operational failures, and the need to operate efficiently and prudently to ensure that contributions represent good value for money to policyholders. Appropriate precautions are taken to manage/control risk here, and compliance/internal/business audits are undertaken from time to time on material activities and areas of potential concern. This is deemed to be adequate given the nature, scale and complexity of HSF health plan's business.

##### Sensitivity

##### Assumptions and sensitivities

The risks associated with the non-life insurance contracts are complex and subject to a number of variables, which complicate quantitative sensitivity analysis. The Company uses several statistical and actuarial techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The key methods used by the Company for estimating liabilities are expected loss ratio and benchmarking.

HSF health plan's management has considered a number of stress and scenario tests designed to provide a reasonableness check of the core-modelled results and more generally, the Risk Management Framework.

A key test was performed to determine whether losses resulting from any of the extreme events scenarios (assumed to be equal to or greater than 1 in 200 year events) would require capital holding in excess of the Solvency II Standard Formula model output; and hence whether HSF health plan would need to either increase its capital buffer or alter its modelling methodology and assumptions.

These tests are intended to be pragmatic illustrations of the major impact of an extreme adverse event or events rather than an attempt to model every possible consequence.

	Profit/Loss before tax		Accumulated Fund	
	2023	2022	2023	2022
	£	£	£	£
Before sensitivities	638,446	65,438	21,766,331	21,127,885
Reduction in business volumes by 15%	(3,957,476)	(4,482,080)	17,170,409	16,580,367
Reduction in investment market values by 25%	(5,082,811)	(5,329,307)	16,045,074	15,733,140

The conclusion from these tests was that HSF health plan currently holds adequate capital to absorb the shock from various extreme natural catastrophic events, which it is exposed to on a net basis from writing health insurance. In all the scenarios tested (which can be deemed to be extreme and fall under stress tests), HSF health plan remains solvent and fulfils obligations to its policyholders. However, if such events did occur HSF health plan may need to raise further capital, introduce reinsurance, or reduce operations.

20. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS (continued)

**Insurance Risk**

HSF's policy is to offer no insurance policy or renewal options beyond a month or two, and to manage the benefit/contributions levels to achieve over the long term a small surplus of contributions over claims and business costs. The Company has a risk associated with the claims technical provision which is calculated based on the requirement for claims to be submitted within 6 months of the date of treatment, by using two previous year's figures analysis to produce a trend and utilise this trend to calculate the current year's provisions. From 2021 there has also been an inclusion in the claims technical provisions for the Personal Accident claims following this coming in-house in February 2021. Due to this being a new area of business for the company and also due to the larger value differences between claims the provision has utilised 4 years of historical data to generate a weighted average which is then multiplied by the number of open claims at the period end with a further inclusion of an additional value for claims which have been incurred but not received.

**Concentration**

The Company writes non-life insurance on a monthly renewable base. The Company's primary insurance risk exposure is pandemic risk from widespread diseases. The concentration of non-life insurance by type of contract is summarised below by reference to liabilities:

	Gross claims	
	2023	2022
	£	£
Direct Insurance	23,295,261	20,959,671
	<u>23,295,261</u>	<u>20,959,671</u>

21. FINANCIAL RISK MANAGEMENT

**Liquidity Risk – HSF health plan Limited only**

The objective of the Company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows.

The following table shows details of the expected maturity profile of the Company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance and participating investment contract liabilities. Unearned premiums are excluded from this analysis. This table includes both interest and principal cash flows.

2023	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total
	£	£	£	£	£	£
Trade and other liabilities	-	-	867,529	-	-	867,529
Outstanding claims	1,590,361	1,337,583	484,009	-	-	3,411,953
	<u>1,590,361</u>	<u>1,337,583</u>	<u>1,351,538</u>	<u>-</u>	<u>-</u>	<u>4,279,482</u>
	<u><u>1,590,361</u></u>	<u><u>1,337,583</u></u>	<u><u>1,351,538</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>4,279,482</u></u>
2022	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total
	£	£	£	£	£	£
Trade and other liabilities	-	-	93,669	-	-	93,669
Outstanding claims	1,539,985	1,263,121	465,075	-	-	3,268,181
	<u>1,539,985</u>	<u>1,263,121</u>	<u>558,744</u>	<u>-</u>	<u>-</u>	<u>3,361,850</u>
	<u><u>1,539,985</u></u>	<u><u>1,263,121</u></u>	<u><u>558,744</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,361,850</u></u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

21. FINANCIAL RISK MANAGEMENT (continued)

**Credit Risk – HSF health plan Limited only**

The objective of the Company is managing its credit risk exposure is to ensure risk is managed in line with the Company's risk appetite. The Company has established policies and procedures in order to manage credit risk and methods to measure it. The Company's maximum exposure to credit risk for insurance receivables would be 15% of net premiums earned, £4,584,787 (2022: £4,575,559).

The following table shows the carrying value of assets that are neither past due or impaired and the ageing of assets that are past due but not impaired. No assets have been impaired.

Credit Risk as at 31 December 2023	Neither past due nor impaired	Past due less than 30 Days	Past due 31 to 60 days	Past due 61 to 90 days	Past due more than 90 days	Total
	£	£	£	£	£	£
Insurance receivables	-	1,324,263	241,524	-	-	1,565,787
	-	1,324,263	241,524	-	-	1,565,787
Credit Risk as at 31 December 2022	Neither past due nor impaired	Past due less than 30 Days	Past due 31 to 60 days	Past due 61 to 90 days	Past due more than 90 days	Total
	£	£	£	£	£	£
Insurance receivables	-	1,445,966	595,371	-	-	2,041,337
	-	1,445,966	595,371	-	-	2,041,337

**Market Risk – HSF health plan Limited only**

The Company is exposed to price risk arising from fluctuations in the value of financial instruments because of changes in market prices and the risks inherent in all investments. The Company has no significant concentration of price risk. The Company maintaining an appropriate mix of investment instruments to manage the risk.

The Company's sensitivity to a 0.5% increase and decrease in market prices is as follows:

	2023 £	2022 £
0.5% increase		
Movement in bonds	22,950	15,402
Movement in equities	67,176	59,020
0.5% decrease		
Movement in bonds	(22,950)	(15,402)
Movement in equities	(67,176)	(59,020)

The Company's method for sensitivity to interest rate fluctuations has not changed significantly over the year.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 21. FINANCIAL RISK MANAGEMENT (continued)

##### Fair Value

##### i. Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in FRS 102 para 34.22, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair value measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair value measured using valuation techniques in which any significant input is not based on observable market data

	Level 1 £	Level 2 £	Level 3 £	The Company Total £
Financial instruments	16,596,695	-	-	16,596,695

The carrying amounts of the financial instruments carried at cost or amortised cost approximate to their fair value mainly because of the short maturity of those instruments.

#### 22. CAPITAL MANAGEMENT

The objective of the Company in managing its capital requirements is to ensure that it will be able to continue as a going concern and comply with the regulators' capital requirements of the markets in which the Company operates, while maximising the return to HSF health plan Ltd through the optimising of the capital. The capital structure of the Company consists of reserves.

The Company was in compliance with capital requirements imposed by the regulators throughout the financial year.

The capital requirement of the Company is determined by its exposure to risk and the solvency criteria established by management and statutory regulations. The table below sets out the statutory minimum capital requirement and the Company's available capital.

	2023 £	2022 £
Statutory minimum capital requirement	2,981,432	2,734,456
Total available capital resources	21,766,331	21,127,886
Statutory Minimum Capital Solvency Cover %	730%	773%

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**23. RELATED PARTY TRANSACTIONS**

No trustee or other person related to the charity had any personal interest in any contract or transaction entered by the charity during the year (2022: £Nil).

The charity received Gift Aid donations during the year from its trading subsidiaries totalling £10,228 (2022: £4,211,504).

There is a debtor's balance of £Nil (2022: £26,632) owed from the charities subsidiary company HSF health plan (Malta) Ltd in relation to services provided during the year.

Also there is a creditor's balance of £Nil (2022: £1,873) owed to the charities trading subsidiary HSF health plan Ltd in relation to fees paid on behalf of the company.

**24. POST BALANCE SHEET EVENTS**

There were no significant post balance sheet events.

**THE HOSPITAL SATURDAY FUND**

England & Wales - Charity number 1123381

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# Accounts

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**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT AND GROUP FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2022**



*Paul Jackson, Group CEO, HSF, Don O'Leary, Director, Cork Life Centre, Rachel Lucy, Deputy Director, Cork Life Centre, Dee Wright, Charity & Events Manager, HSF, Ana Vega, EA to Group CEO, HSF and Donna Potter, Head of Human Resources, HSF, visiting the sensory space at the Centre which we helped to fund. A plaque is on display to show their appreciation.*

UK Registered Company Number: 6039284  
UK Registered Charity Number: 1123381  
Ireland Registered Charity Number: 20104528

**THE HOSPITAL SATURDAY FUND**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

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**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES**

**YEAR ENDED 31 DECEMBER 2022**

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**OFFICERS AND ADVISERS**

<i>Chair</i>	Mr J Greenwood
<i>Vice Chair</i>	Mrs J L Dalton LLB (Hons) (from 17 <sup>th</sup> March 2022)
<i>Other Trustees</i>	Mr M Davies Mr D.Fox (from 15 <sup>th</sup> March 2022) Mr C Healy (from 15 <sup>th</sup> March 2022) Mr J Randel Mrs M Rogers Mr D Thomas (Vice Chair until 17 <sup>th</sup> November 2022)
<i>Group Chief Executive</i>	Mr P W Jackson MSc BA (Hons) DChA
<i>Company Secretary</i>	Mrs Pauline Jones CertPFS
<i>Patron</i>	Ms L Garrett CBE FRAM
<i>Principal Bankers</i>	HSBC Bank Plc, London Commercial Banking Centre, Level 6, 71 Queen Victoria Street, London, WC2R 1DJ
<i>Solicitors</i>	Armstrong Teasdale 38-43 Lincoln's Inn Fields, London, WC2A 3PA
<i>Independent Auditors</i>	MHA MacIntyre Hudson 6 <sup>th</sup> Floor, 2 London Wall Place London EC2Y 5AU
<i>Investment Managers</i>	UBS AG 5 Broadgate London EC2M 2AN  Abrdn Capital Limited Bow Bells House 1 Bread Street London EC4M 9HH
<i>Registered Office</i>	24 Upper Ground LONDON SE1 9PD  Telephone: 020 7202 1365 Fax: 020 7928 0446 Email: <a href="mailto:charity@hsf.eu.com">charity@hsf.eu.com</a>

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES**

**YEAR ENDED 31 DECEMBER 2022**

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The Board of Trustees is pleased to present the 15<sup>th</sup> Annual Report comprised of the Report of the Board of Trustees and Strategic Report and the audited financial statements for the year ended 31 December 2022.

**STRATEGIC REPORT**

**Summary**

The Hospital Saturday Fund has been helping people in times of illness or medical need since 15 June 1873. In those days there was no NHS and very little government aid for those who needed it most. This led the Victorian social reformer, the Twelfth Earl of Meath, and others to establish The Hospital Saturday Fund to give working people an opportunity to contribute to the costs of running their local hospitals, so named because Saturday was the traditional pay-day when people were more likely to have a few pennies to spare. Over the years leading to the formation of the NHS in 1948, HSF gradually became a health cash plan but maintained its charitable support for hospitals and medical charities.

The Hospital Saturday Fund is now a grant-making charity which donates to medically associated charities for care and research, and to some individuals with health problems throughout the UK and Ireland. The Hospital Saturday Fund is also the parent of three trading subsidiaries The HSF health plan Ltd, HSF health plan Malta Ltd & HSF Assist Ltd which generate the income from their trading activity to fund the grant-making. HSF health plan Ltd is a company limited by guarantee which provides a range of health cash plan schemes throughout the United Kingdom and the Republic of Ireland. HSF health plan Malta markets health cash plan schemes in Malta. HSF Assist Ltd provides an employee support telephone service to corporate clients.

**Services Agreement**

A Services Agreement between the Charitable Company and HSF health plan Limited has been entered into so that staff and resources will be provided to the Charitable Company by the Trading Company.

**OBJECTIVES AND ACTIVITIES**

**Charitable Objects**

The Charitable Company's principal objects as set out in its Memorandum of Association are:

"the relief of sickness and suffering and giving of help to those who are aged, infirm, unemployed or in need and who require Medical Relief as hereinafter defined or who are pregnant and for the promotion of medical research for the benefit of the public in the United Kingdom of Great Britain and Northern Ireland, Eire, the Channel Islands, the Isle of Man and Malta."

**Impact**

The Trustees of the Charitable Company are aware of their duties under the Charities Act in regard to public benefit. Each Trustee is aware of the general public benefit guidance from the Charity Commission. They aim to discharge that trust by making grants to a great number of medical charities which benefit a wide section of the general public in both the United Kingdom and Ireland. The Board has set in place monitoring and evaluation procedures to review the impact of the work to ensure the aims of the Charitable Company are being met. The trading activities of the subsidiary companies enable The Hospital Saturday Fund to continue its charitable activities.

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR**

The Grant Making Committee continued to operate with the knowledge that however 'deserving' some charities and individuals appeared in their applications, there was not enough money to respond to each one and careful, fair and responsible decisions had to be made. This care was demonstrated in the time taken to examine applications on behalf of individuals and the submissions from charities and by responding as fairly as possible.

**Grants made in the year**

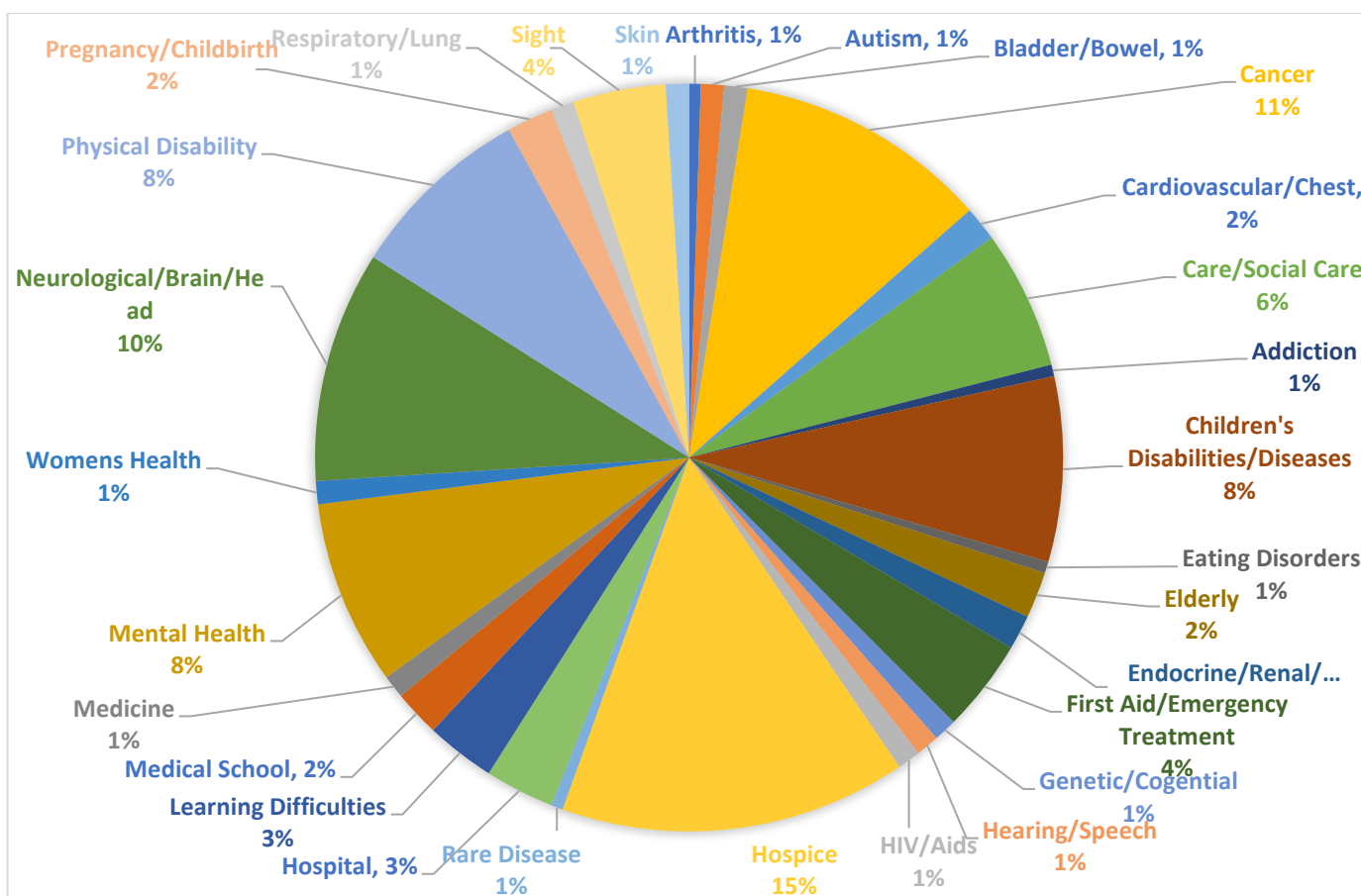
During 2022, HSF processed 571 applications on behalf of individuals and, after careful assessment by the Grant Making Committee, 445 were awarded a grant making a total of £343,953 (2021: £123,968) for the year. A further total of £1,758,170 (2021: £1,687,382) was awarded to 568 medical charities, hospices and hospitals including the special medical school grant. The following pages show a chart and table analysing the grants made in the year by type and by geographical spread. Following these charts are examples of the feedback received from recipients which emphasise the public benefit achieved by the grants.

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

**Annual Receptions**

The Board endeavours to hold a Reception each year in order to present grants in person to representatives of medical charities, hospices and hospitals. The Trustees held a Reception on 17<sup>th</sup> November 2022 in the Aula Maxima, Cork, hosted by University College Cork, Ireland. A total of €122,000 was donated on that evening to 26 charities based in Munster. Councillor Damien Boylan, Deputy Lord Mayor of Cork attended the reception and presented the grants. It was a very special evening for the Trustees and Charity as it was the first event of this kind, we have held in over two years due to the recent pandemic.

The following pie chart shows grants awarded by type of charity for the year ended 31 December 2022



The vast majority of grants awarded were for £2,000 (or €3,000), with 34 lesser donations being made. During 2022, 77 higher grants ranging between £2,000 and £10,000 (or €3,000 and €13,500) were awarded to charities where a specific need was deemed by the Committee to warrant a larger award.

The Committee endeavours to ensure that not only is there a wide geographical spread within the grant making but, within the charities supported, there are many different types of illness, disability, care, research and age groups represented.

Further details of the grants given can be found in Note 8 of the accounts on page 33.

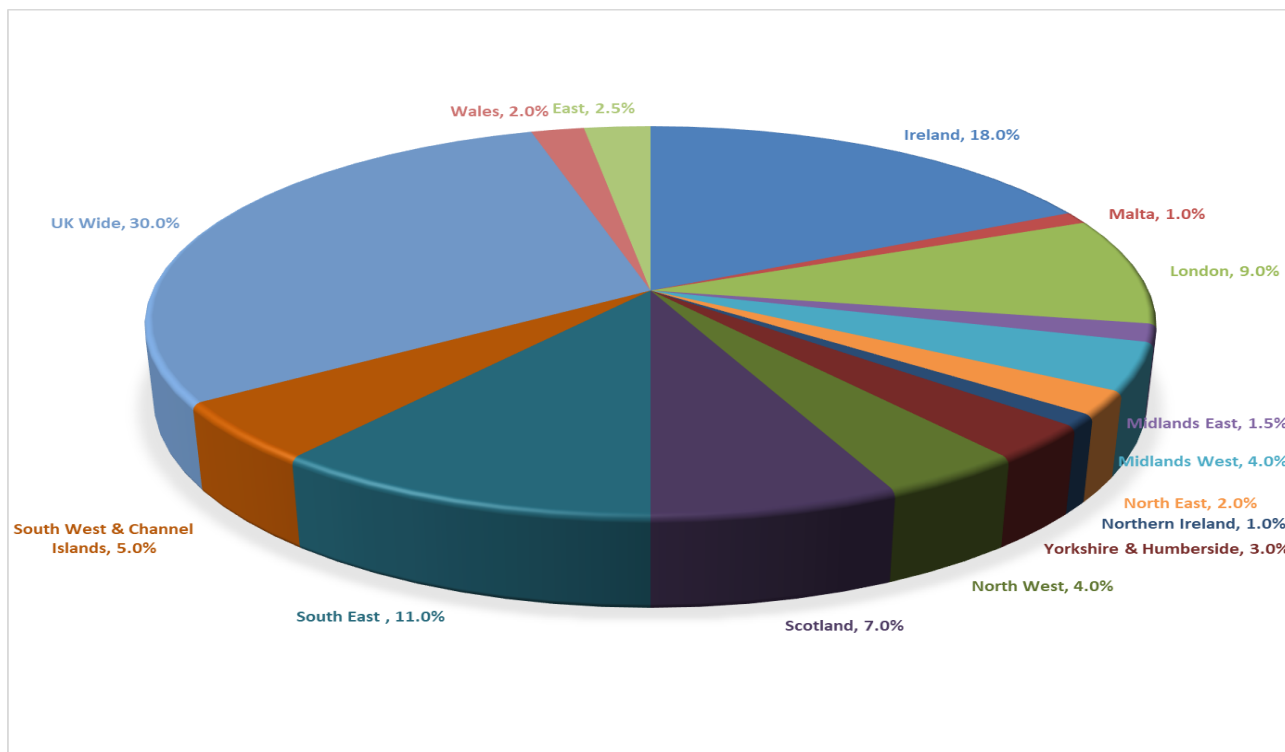
**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2022**

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

Grants are made to both local and national institutions. The following pie chart shows grants awarded by region for the year ended 31 December 2022.



Organisations receiving grants ranged from Katie Piper Foundation, Chelsea Football Foundation, Heart of Kent Hospice, Irish Association for Palliative Care, Welsh Air Ambulance Charitable Trust, Epilepsy Scotland, Galway Mountain Rescue Team, Northern Ireland Hospice, FitzRoy, Focus Birmingham, Irish Red Cross, Scuba Trust, Scottish Huntington’s Association, Severn Hospice, Royal Marsden Cancer Charity, Zoe’s Place Baby Hospice, Angel Eyes NI, Action Medical Research, Children’s Trust, Coping with Cancer North East, Prevent Breast Cancer, Polio Survivors Ireland, St Mark’s Hospital Foundation, Down’s Syndrome Scotland, Tommy’s, Martha Trust, Muscular Dystrophy UK.

Grants to hospitals were for specific projects, equipment or designated charitable funds.

**Fund Raising**

The Group does not fundraise externally or use any professional fundraiser or any commercial participator in raising its funds.

**Evaluation process**

In meeting the Charities Act requirement to demonstrate public benefit through the grant making process, Trustees consider not only the recipient charities and their applications but also the impact the past awards have had. As such, the Trustees ensure that feedback from recipients is obtained where possible and reviewed for evidence of the grant being used for its correct purpose. In fact, the Trustees commissioned an independent review of the Charity’s grant making process. The review was carried out by a MSc Student from Centre for Charity Effectiveness, Bayes Business School, City University of London. The review was extremely positive, and the Trustees discussed the report’s recommendations at their Board meeting on 21 March 2023. This review forms part of a series of reviews which have been carried out over the past few years on this area.

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2022**

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**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

Condensed versions of updates received from grantees are available on our website: <https://www.hospitalsaturdayfund.org/news-archive>. Amongst others, updates on the website relating to work supported by The Hospital Saturday Fund in 2022 refer to:

- A grant for their medical elective programme (University of Exeter)
- To help fund research into the spread of pancreatic cancer (Worldwide Cancer Research)
- To provide free Dog Therapy in hospitals and healthcare settings (Pets As Therapy)
- Funding to help the Ukraine Crisis for UK based refugees towards their health & wellbeing (British Red Cross)
- A grant towards syringe drivers to relieve pain for palliative patients (Willowbrook Hospice)
- To fund a Tovertafel Magic Table to assist rehabilitation (Acquired Brain Injury Ireland)
- To help fund nebulisers allowing terminally ill patients discharge from hospital (Asthma Relief)
- To raise awareness and care for thyroid disorders (British Thyroid Foundation)
- Funding towards defibrillators for babies with complex heart conditions (Young at Heart)
- To help fund new shower trolleys to support accessibility (L'Arche Dublin)
- A grant towards improving life after brain injury programme (Headway Hertfordshire)
- To help fund specialist chairs at neonatal unit (Ickle Pickles Children's Charity)
- A grant for sensory equipment at a children's respite home (Diverse Abilities)
- Funding towards manikins to provide training for the crew (North West Air Ambulance)
- A grant towards first aid bags for volunteer caregivers (Community Cancer Caregivers)
- To help fund new equipment in the physiotherapy centre (Freddie Frammer Foundation)
- A grant towards the sleep apnoea screening programme (Hope2Sleep)
- To provide vital services to pregnant women at a time when they most need it (Doctors of the World UK)
- A grant towards grid pad and eye gaze devices to improve their ability to communicate (Focus Birmingham)
- To help fund research into rare gynaecological cancers. (Eve Appeal)

In addition, The Hospital Saturday Fund receives many letters of appreciation from grantees. The following are quotations taken from letters sent to the Charity following grants being awarded to each:

**Grant to Teenage Cancer Trust**

*Thank you once again to The Hospital Saturday Fund Charity Trust for your support. We will keep you updated about the difference your donation has made to young people in the region. "The support I received has completely changed my journey and Teenage Cancer Trust are a large part of why I am still around today." **Young person***

**Grant to Depaul**

*Your kindness will strengthen the chain of survival for up to 6,230 vulnerable people across Depaul's homeless services in Dublin over the lifetime of this grant, what a wonderful thing to do. Thank you again.*

**Grant to Antibiotic Research UK**

*Antibiotic Research UK focuses on tackling antibiotic resistant infections through scientific research, public engagement, and patient support. Our work is vital for the health of us all, but particularly future generations, nationally and internationally. We would like to thank you for joining us in fighting antibiotic resistance and helping those whose lives are blighted by it. Your generous support is very important to us.*

**Grant to the Breast Cancer Now**

*We are delighted that the Hospital Saturday Fund has chosen to support Dr Jason Carroll's research at the University of Cambridge with a grant. This kind donation towards Dr Carroll's ground-breaking work could help find new ways to prevent and treat incurable secondary breast cancer, taking us a step closer to the day when no one dies from this devastating disease.*

**Grant to Lennox Children's Cancer Fund**

*On behalf of all the children and families supported by the Lennox Children's Cancer Fund, I would like to say a huge thank you to you and your fellow trustees at Hospital Saturday Fund Trust for the generous grant in January. The devastation that a cancer diagnosis brings to the whole family is unthinkable until you are faced with it, to add COVID and ongoing restrictions to this made everything even more distressing for the children and families we support. Thanks to your grant we were able to offer emotional and practical support to the following amount of families when they needed it most.*

**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2022**

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**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

**Grant to the Spinal Injuries Association (SIA)**

*Spinal cord injury is a life changing event. At least 3 people a day become paralysed due to spinal cord injury and often have nowhere to turn. Your donation will help ensure everyone touched by spinal cord injury receives the support they need to rebuild their lives.*

**Grant to Children in Hospital Ireland**

*This project will provide such a valuable opportunity for the parents who we are in contact with to build their networks of support and give them some skills for resilience and coping. We look forward to developing the project and we will be in contact with you again with further updates.*

**Grant to ARC Cancer Support Centres**

*We are extremely grateful for this generous amount towards our third ARC Centre in Herbert Avenue where we continue to provide our services completely free of charge to men, women & children affected by cancer and those who care for them, through a warm, welcoming and client centre approach and to ensure that everyone in Ireland is aware of, and able to access these services.*

**Grant to Martha Trust**

*Thank you to the Trustees of The Hospital Saturday Fund for supporting our Person Centred Software (PCS) appeal this year, we continue to see huge benefits from the use of the PCS, for our teams at Martha, residents and their families. PCS came into its own during the pandemic giving the relatives of our residents the opportunity to have electronic access to information about the daily care of their loved ones, including records of care, photos and reports. The feedback from the relatives has been so positive. They feel that they are involved in their loved ones lives and demonstrates Martha's transparency and open approach to care. The PCS system is an integral part of our monitoring systems at Martha, providing detailed clinical evidence, detailed recording of accurate and timely care and a variety of valuable reports which are used to identify issues and trends, enhancing clinical care for residents.*

**Grant to Nurse Lifeline**

*"Hello, I just wanted to email with feedback after using the Nurse Life Line service. I am a nurse who has currently been off work due to mental health. I found this help line by far the most helpful for me since I was off. To be able to speak freely about my experiences with someone who understands a lot of the language and situations meant so much to me. I just wanted to say a big thank you for this service and I will definitely be using this in future".*

Individuals have also expressed their gratitude and there are extracts from letters below:

**Grant for all terrain wheelchair**

*I've had to email I'm sat here on Carbis Bay with a massive lump in my throat. I'm not just saying this, but this chair has literally saved me and my husband so much stress, not to mention pain in our backs, and the best bit Cameron is absolutely chuffed to pieces he's been buzzing up and down the beach loving life. Before this chair I cannot tell you how much we had to cope with carrying all stuff not to mention getting stuck with the old chair and embarrassed about people helping us off the beach. It got to the point where Cameron couldn't enjoy himself, please please please again thank all involved its seriously a life changer for us.*

Individual Grant Recipient

**Grant for a adjustable spinal bed**

*A huge thank you to the panel who granted the money towards the cost of the bed. Ken & myself are very grateful for the help. The bed is an enormous benefit to him & the carers since it's installation. Secondly I would like to thank you for your prompt correspondence & kind words towards the dilemma we were in when trying to raise the funding.*

Individual Grant Recipient

**Grant for a specialist wheelchair**

*The family are absolutely delighted and want to pass their thanks on to you. Your support comes at a difficult time and it means even more to us that you have chosen to support The Meath during one of the most challenging times in living memory. Thank you.*

The Meath Epilepsy Charity

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2022**

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**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

**Grant for powered wheelchair**

*You recently helped us fund a new powered wheelchair for my son. We finally took delivery of it last week. And it's fabulous! Thank you!!! TT is already venturing into places that he couldn't access in his old manual chair. We can now go whizzing up hills without any effort, something that's been impossible since he grew out of childhood. And without your generosity – and that of your funders – this wouldn't have happened. So a big thanks to you from Tom, his mum, and me!*

Parent of Individual Grant Recipient

**Grant for assistance dog training**

*I had what I thought was a painful spasm (a sensation typical of my pain condition) in my foot during an online psychotherapy consultation. I thought, 'wow, that was a bad one!' and continued the meeting. Camille (my assistance dog in training) started barking relentlessly, which I was frustrated about initially because she has been trained to be silent when I'm on my laptop. She persisted, so I looked down and realised that there was blood all over the floor. My foot had a very sizeable piece of glass in it (i.e. not a spasm at all!). Then I looked at Camille, and she had brought me the first aid box.*

Individual Grant Recipient

**Grant for mobility equipment**

*I just wanted to say with all our hearts, we can't thank you enough for supporting the project of getting our son back outdoors. Work has been completed to finish the garden and our son couldn't wait for the slabs to be put down and has been out as much as he can playing football on his Astro turf, football pitch, which is an absolute joy to see as he couldn't use the garden at all before. We are happy to answer any questions or for any home visits that you need to make to check the work. We couldn't have achieved this without your support, and I will be forever indebted to you all. We have had some much-needed family time together in the garden and are able to enjoy the safety and privacy of this in our home, which has been a big thing for Logan after such a difficult year.*

Parent of Individual Grant Recipient



*Irish Charities receiving grants at the Cork Reception, held at the Aula Maxima, University College Cork, €122,000 was donated that evening to 26 charities based in Munster. Councillor Damien Boylan, Deputy Lord Mayor of Cork attended the reception and presented the grants.*

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2022**

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**FINANCIAL REVIEW**

**State of affairs**

The Group Statement of Financial Activities for the year is set out on page 22 and shows net incoming resources before investment gains and losses for the year of £2,933,910, (2021: £377,452). Net movement in funds for the year amounted to losses of £2,056,074, after investment losses of £4,989,984 resulted in a net asset position as at 31 December 2022 of £45,643,764 (2021: £47,699,838). Of these funds, £24,539,265 (2021: £27,465,904) is represented by the net assets of the trading subsidiary.

The trading company HSF health plan Ltd's total profit for the year was £1,208,420 (2021: £4,566,773). Total premiums (less Insurance Premium Tax) for the year were £30,503,727. Benefits payable (including Personal Accident premiums and helplines) for the year were £21,527,577 and represented 70.6% of premium income. The Directors consider the overall state of affairs to be satisfactory.

The trading company HSF Assist Ltd's total profit for the year was £10,228 (2021: £27,204). Total income for the year was £37,250 (2021: £50,518). The Directors consider the overall state of affairs to be satisfactory.

For the charity alone, total income for the year amounted to £2,886,831 (2021: £6,326,837) including gift aid from the subsidiary companies of £4,211,504 (2021: £4,392,316). Grants totalling £2,161,478 (2021: £2,035,072) were made during the year, which is considerably in excess of income available for charitable application. These grants were therefore made by utilising expendable endowment funds. After charging the grants and crediting the gift aid payment and realised and unrealised investment gains the endowment fund increased by £329,893 to £19,217,353

The Trustees are satisfied with the net asset position of the group at the year end and are confident that sufficient funds will be available to meet the future needs of the Charitable Company.

**Reserves Policy**

The Trustees have established a policy for retaining reserves both in light of the risks the charitable group faces and the Trustees' strategic priorities for their grant making activities. In essence the principal purpose of the reserves are to provide a capital base from which income would be earned to finance the grant making activities. The Trustees' reserve policy is to maintain an expendable endowment at a level of no less than £5m and no greater than £22m, this is to ensure a prudent approach to the risks faced by the Charity and also to ensure the continued level of the Charity's grant-making. This approach has been put in place by the Trustees to avoid the situation where its annual grant-making is reduced or ceases, if the Charity fails to receive a Gift Aid donation from its Trading Subsidiary for a number of years. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances; however, these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees. The charity received large gift aid donations in 2021 & 2022 for the profits made by the trading subsidiary HSF health plan Ltd in the trading years of 2020 & 2021, which was due to the exceptional circumstances that have resulted from the Covid-19 pandemic. However, given we are forecasting that the long-lasting effect of the pandemic and also now the effect of the current inflation situation will likely result in quite low gift-aid donations over the next three years, also as the two largest of the three trading subsidiaries have committed to upgrading its Policyholder Database to improve the level of service provided to their customers, the Trustees are not expecting a large increase in the grant making as a result of the 2021 gift aid. Therefore, this will be used to fund the next three years' grant making.

The charity plans carefully to ensure that it budgets in accordance with expected income flows but inevitably short-term fluctuations can occur. In light of this policy residual free reserves will be held at a level sufficient to cover the operational working capital needs of the charity and to provide for short term fluctuations in either falls in investment income year on year, and/or falls in profitability of the trading subsidiary. For clarity trading reserves have been separated from free charitable funds.

At the end of the year free reserves totalled £1,886,977. Although this is a small increase in the level compared with last year of £1,346,304, the continued tough economic climate and its impact on the investment portfolio has meant that grant making activities were all financed from the endowment fund. The Trustees, having reviewed their strategy, are satisfied that the policy is appropriate and satisfied with the level of free reserves. An external review had been carried out in 2019 by a City of London University student, who found our current Reserves Policy is fit for purpose. The policy is reviewed annually by the Board of Trustees to ensure its continuation or to review if there are any required changes to the policy or reserves held and this was approved at the November 2022 Board meeting.

The trading subsidiary HSF health plan Ltd holds reserves of £21,127,885 (2021: £24,103,765) and the trading subsidiary HSF health plan (Malta) Ltd holds reserves of £3,366,689 (2021: £3,547,541). The trading subsidiaries requires reserves of this level to meet its Solvency II requirements as an insurance provider.

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2022**

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**Principal Risks and Risk Assessment**

The Board of The Hospital Saturday Fund regularly assesses the risks to which the Charity is exposed. It agrees how best these risks may be mitigated and the Charity takes the appropriate action to manage these risks. The risks and associated mitigations are all recorded on the organisation's risk register.

The Charitable Company's principal risks are the inability of the investment portfolio to generate income, the failure of its Trading Subsidiary to generate sufficient profits, which support the Charity's annual grant-making and the withdrawal of the UK from the EU and the potential impact on the way the charity is able to operate in the Republic of Ireland. All of these principal risks along with others are monitored closely and where possible control and mitigating action plans are put in place and these are monitored quarterly by the Boards.

The Risk & Compliance Committee of the Charitable Company's Trading Subsidiary monitor the Company's risk exposure in all areas including investment, operational, financial, human resources, sales and business continuity, with the Committees also monitoring their own areas of risk as well. It advises the Board on risk management and policy, while it also keeps under review the effectiveness of these areas. The Chief Risk Officer (CRO) is the Executive Director accountable for enabling the efficient and effective governance of significant risks, and related opportunities, for the Trading Company and this role is the responsibility of the Managing Director. The Chief Risk Officer reports to the Risk & Compliance Committee quarterly to assist the committee with actively monitoring the risks and ensure the controls and appropriate monitoring systems are in place, the CRO is also accountable to the Board of Directors.

The Trading Company has produced various risk registers for the different parts of the business and these are kept under constant review by the various Committees and Board to manage and mitigate risks. Risk & Compliance Committee meet regularly to review and monitor these and reports to the Board. The Board are satisfied with the Risk management policies and procedures in place.

The main activity of the Trading Company is operator of a medical cash plan and with this business activity, comes the need to take risk. We monitor the profitability of schemes and the claims data regularly, taking action when required and deemed necessary. The scheme premiums are rated on detailed analysis of historic claims data. Under the insurers regulatory regime, we also consider and diligently monitor a wide range of other risk including market, liquidity, interest rate, insurance, operational, concentration among others, this is done by regular consideration of the ORSA (Own Risk and Solvency Assessment), further information on some of these risks can be found in Note 21 and Note 22 of this document.

**Solvency II**

The Solvency II regime, which came into effect on 1 January 2016, has continued throughout 2022. The most significant requirement under Solvency II is the submission to the Prudential Regulatory Authority (PRA) on a regular basis (usually annually) of the Own Risks and Solvency Assessment (ORSA), following approval of the Board. The ORSA was approved at the Board meeting in September 2022 and was subsequently submitted to the PRA. The Board will continue to monitor this activity and ensure the company continues to satisfy their solvency requirements

**Investments & Investment Policy**

Under the Memorandum and Articles of Association, the Trustees of the Charitable Company have the power to make any investments which the Trustees see fit. On 25 November 2021 the Board appointed Abrdn Capital Limited as Investment Managers, who replaced UBS AG. Although Abrdn Capital Limited were appointed in November 2021 the transfer of investments didn't take place until after the year end, with this switch taking place in January 2022.

The Trustees approved a further investment in one of its trading subsidiaries, HSF Health Plan (Malta) Ltd in August 2022 to the value of £638,461 (€750,000). This was paid as a capital contribution to the trading subsidiary.

The Trading Company's Investment Policy is linked to the Prudential Regulation Authority solvency requirements. Its Investment Policy reflects a low to medium risk profile, which is similar to that of the overall Charitable Group. The Charitable Company's portfolio produced a net losses of £3,152,491 on the investments held. Both the Trading Company's & Charitable Company's Investment Policies are reviewed annually by the Charitable Company's Investment Committee.

**THE HOSPITAL SATURDAY FUND**  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2022**

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**Investments & Investment Policy (continued)**

The Charitable Company follows a composite benchmark of a weighted index of the markets represented within the adopted asset allocation, i.e. the index relating to the specific asset class is multiplied by the percentage, which that particular asset class represents of the whole portfolio, and then these are added together to create the composite benchmark.

The Charitable Company's investment performance in the year out performed the benchmark by 0.51% with the portfolio performance figure of -7.69% against a benchmark of -8.2%. The investment policy adopted by the Charitable Company is a long term policy which covers a 10 year time horizon but due to the investment policy switch to Abrdn which took place in January 2022 we are only able to measure the performance since the inception of the portfolio with Abrdn.

The Charitable Company's ethical investment policy is that no investment may be made in any company that derives any of its income from tobacco manufacturing or earns more than 10% from tobacco related products. To further enhance the Charitable Company's ethical investment policy all holdings in the portfolio held with Abrdn are held in Socially Responsible and Sustainable Strategy. Since April 2018, the strategy invests in companies that are exhibiting a highly sustainable approach to their business looking at environmental, social and governance criteria. This investment strategy was introduced when working with UBS and has continued under Abrdn.

**Remuneration policy**

The Board of Trustees is satisfied that the Trading Subsidiary's staff salaries are benchmarked against market levels, using salary surveys and job comparison searches obtained from reputable recruitment agencies. The Trading Subsidiary's Human Resources Committee monitor and review on an annual basis.

**Post Brexit – Third country branch**

To maintain our long-standing provision of service in the Republic of Ireland (ROI), since 1949, the Board of Directors and Senior Leadership Team, in consultation with their advisors, liaised closely with the Central Bank of Ireland (CBI) to continue trading in ROI following the conclusion of the transition period on 31<sup>st</sup> January 2020. On the 4<sup>th</sup> of January 2021 the CBI issued the company with a letter and certificate of authorisation confirming the company's status in Ireland as a Branch in the state of a Third Country Insurance Undertaking. The company has operated under these new regulatory arrangements throughout 2022.

**FUTURE PLANS**

The Trustees hold a Reception each year in order to present grants in person to representatives of medical charities, hospices and hospitals. One such event was hosted at the Mansion House in Dublin on 23 February 2023. Twenty-six charities were presented with grants on this occasion and the event was hosted by Caroline Conroy, the Lord Mayor of Dublin, Vice-President of The Hospital Saturday Fund.

In 2023, it is expected that grants awarded to medical charities, hospitals and hospices will be in the region of £2,250,000 and recipients are already receiving funds. This will be even more appreciated as charities experience a decline in funding, generally, during these difficult times.

The Charity relies on the success of its Trading Subsidiaries, HSF health plan Ltd, HSF Health Plan (Malta) Ltd and HSF Assist Ltd, not only to maintain but potentially to increase the size of its expendable endowment and therefore to increase the amount of charitable grants. The Trustees look forward to extending their grant making in the long-term resulting in a greater contribution to the work of the medical charity sector.



**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2022**

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**Appointment, Induction and Training of the Trustees**

Trustees are appointed to the Charity Board through a nomination and election process by the Members of the Association. They are appointed for a term of office of three years. The Association Members, by virtue of the Articles of Association, decide who serves as Non-Executive Directors of HSF health plan Limited and who should serve the Grant Making Committee.

On appointment, all new Trustees receive thorough induction and training, which includes receiving detailed information about the Charity via a Trustee Manual, including its Memorandum and Articles, latest accounts, latest financial reports and minutes of recent Trustees' meetings. In addition, new Trustees attend an induction process at head office, where they are briefed by the Chief Executive and key staff on all aspects of the Charity's operations, staffing and organisation management. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Trustee training is provided by the Charitable Company as required. Trustees are encouraged to attend appropriate external training courses / seminars to enhance their expertise and are required to undertake the Association of Financial Mutuals / Chartered Insurance Institute health cash plan training module which concludes with an examination. Those who serve the trading company are also encouraged to attend external training appropriate for Non-Executive Directors managing an insurance company regulated by the Prudential Regulation Authority.

**Grant Making Committee, Policies and Procedures**

The Committee meets every quarter and reports directly to the Board. In addition to the two Trustees elected as Chair, Mrs Margaret Rogers (until 17 November 2022) and Vice Chair, Mr Dominic Fox (from 15<sup>th</sup> March until 17 November 2022), the Committee includes appointed members Mrs Natalie Bennett, Mr Andrew Gilbert (from 15<sup>th</sup> March 2022), Mr Cal Healy (from 17 November 2022), Mr Paul Jackson, Mrs Pauline Jones, Mr Keith Lawrey, Mrs Carol Murphy, Mr Cathal Nolan, and Mr Glyn Tomlinson. Mr Fox was elected Chair and Mr Healy was elected Vice Chair of the Grant Making Committee on 17 November 2022.

Grants are awarded to national and local medical charities, hospitals and hospices throughout the UK and Ireland. Grant making guidelines for both individuals and organisations (medical charities, hospices and hospitals) are drawn up and approved by the Board. For individuals this means that applications are only accepted through a third party who has some involvement in the care of the applicant, e.g. doctor, social worker or another charity, and the demonstrated need is required to have a strong medical connection. Hospitals are required to state a particular capital project or charity within their hospital to receive their grant. Detailed guidelines for our grant making policy are available on our website [www.hospitalsaturdayfund.org](http://www.hospitalsaturdayfund.org).

The Grant Making Committee members and Trustees of The Hospital Saturday Fund take the opportunity to visit charities or attend their receptions in order to gain a greater overall knowledge.

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2022**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Report, Strategic Report, and the financial statements in accordance with applicable law and regulations.

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). The Trustees have also applied the basis of preparation FRS102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and FRS103 Insurance Contracts. 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

ON BEHALF OF THE BOARD ON 21 March 2023



**JOHN GREENWOOD**  
Chair



**JANE DALTON**  
Vice-Chair

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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For the purpose of this report, the terms “we” and “our” denote MHA MacIntyre Hudson in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of The Hospital Saturday Fund. For the purposes of the table on page 16 that sets out the key audit matters and how our audit addressed the key audit matters, the terms “we” and “our” refer to MHA MacIntyre Hudson. The Group financial statements, as defined below, consolidate the accounts of The Hospital Saturday Fund and its subsidiaries (the “Group”). The “Parent Charitable Company” is defined as The Hospital Saturday Fund, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 (“Companies Act 2006”).

**Opinion**

We have audited the financial statements of The Hospital Saturday Fund for the year ended 31 December 2022.

The financial statements that we have audited comprise:

- the Consolidated Income Statement
- the Consolidated Statement of Financial Activities
- the Group and Charity Balance Sheets
- the Consolidated Statement of Cash Flows
- Notes 1 to 26 to the consolidated financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group and Parent Charitable Company's financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and Financial Reporting Standard 103 Insurance Contracts (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 of the Parent Charitable Company's affairs as at 31 December 2022 and the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit & Finance Committee.

**Basis for opinion**

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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**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.

Our evaluation of the Trustees' assessment of the Group's and the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Group and the Parent Charitable Company's operations and specifically their business model for the provision of health cash plans and for the parent as a grant-making charity.
- The evaluation of how those risks might impact on the available financial resources.
- Where additional resources may be required, the reasonableness and practicality of the assumptions made by the Trustees when assessing the probability and likelihood of those resources becoming available.
- Liquidity considerations including examination of cash flow projections at Group and Parent Charitable Company level.
- Solvency considerations including review of insurance provisions as at the year-end.
- The consideration of the solvency position of subsidiary entities required for regulatory purposes.
- Viability assessments at Group and Parent Charitable Company levels, including consideration of reserve policies, budgets, forecasts and business plans.

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 and 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.

**Overview of our audit approach**

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<b>Scope</b>	Our audit was scoped by obtaining an understanding of the Group, including the Parent Charitable Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Trustees that may have represented a risk of material misstatement.
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We, and our component auditors acting on specific group instructions, undertook full scope audits on the complete financial information of all 3 components.

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<b>Materiality</b>	<b>2022</b>	<b>2021</b>	
<b>Group</b>	£1,369,300	£1,430,900	3% (2021: 3%) of net assets
<b>Parent Charitable Company</b>	£1,223,200	£1,177,800	3% (2021: 3%) of net assets

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**Key audit matters**

- |                  |   |
|------------------|---|
| <b>Recurring</b> | <ul style="list-style-type: none"><li>• Fraud risk in Income recognition</li><li>• Estimates of provisions for outstanding claims liabilities</li></ul> |
|------------------|---|
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**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

**Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Fraud risk in income recognition**

<b>Key audit matter description</b>	Fraud risk in income recognition is a ‘significant audit risk’ unless otherwise rebutted. Income could be over or under stated as to mislead the performance of the group.
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<b>How the scope of our audit responded to the key audit matter</b>	<ul style="list-style-type: none"> <li>• Our procedures included assessing the design and implementation of key controls around the recording of premium income.</li> <li>• We preformed key control testing on new joiners, ensuring that they are accurately and promptly entered into the policyholder system.</li> <li>• We performed substantive analytical review procedures reconciling expected premium income from the policyholder database to that which had been recorded in the financial statements to ensure that income was complete, together with tests of detail.</li> <li>• We reviewed other sources of income and agreed to supporting documentation where relevant, or else were able to rebut the presumption of significant fraud risk.</li> </ul>
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<b>Key observations communicated to the Group’s Audit &amp; Finance Committee</b>	We found that the approach taken by management on the recognition of income (and premium income) to be materially complete and accurate. Our audit work did not identify any instances of fraud.
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**Estimates of provision for outstanding claims liabilities**

<b>Key audit matter description</b>	As described in accounting policy 1p, provisions are made at the year-end for the estimated costs of claims incurred, but not settled, at the balance sheet date, including the cost of claims incurred but not yet reported. As this assessment requires judgements, it is considered a key area of focus for the audit due to the material value of the provision.
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<b>How the scope of our audit responded to the key audit matter</b>	<ul style="list-style-type: none"> <li>• Our procedures included an assessment of the methodologies used in order to calculate the claim provisions at the year end.</li> <li>• We tested this methodology by substantive analytical review which included the review of historic provision against actual results, review of any changes in methodology used in the current year as compared to previous years, the expected provision based on historical patterns, and the reasonableness of the methodology in light of other information available.</li> <li>• We considered where applicable alternative estimation approaches including using actuarial techniques in order to provide assurance over the potential for material misstatement.</li> <li>• The accounting policy was checked to the financial reporting standards where necessary and confirmed to be appropriate.</li> </ul>
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<b>Key observations communicated to the Group’s Audit &amp; Finance Committee</b>	We concluded that the value of the provision for outstanding claims is within an acceptable level and has been recorded and classified appropriately, and is consistent with required financial reporting standard.
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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**Our application of materiality**

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Group was set at £1,369,300 (2021: £1,430,900) which was determined on the basis of 3% (2021: 3%) of the Group's net assets. Materiality in respect of the Parent Charitable Company was set at £1,223,200 (2021: £1,177,800), determined on the basis of 3% (2021: 3%) of the Parent Charitable Company's net assets. Net assets was deemed to be the appropriate benchmark for the calculation of materiality as this is a key area of the financial statements with which the users of the financial statements are principally concerned.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Group was set at £1,163,900 (2021: £1,216,200) and at £1,039,700 (2021: £1,001,100) for the Parent Charitable Company which represents 85% (2021: 85%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding £66,400 (2021: £71,500) and £61,100 (2021: £58,800) in respect of the Group and Parent Charitable Company respectively to the Board of Trustees as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

**Overview of the scope of the Group and Parent Charitable Company audits**

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

**The scope of our audit**

In addition to the parent charitable company, the group consists of 3 reporting components.

- HSF health plan Limited
- HSF Assist Limited
- HSF health plan (Malta) Limited

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, of the 3 reporting components of the group, we identified all 3 components in the UK or Europe which represent the principal business units within the Group.

**Full Scope audits:** HSF health plan Limited and HSF Assist Limited were considered to be significant components of the Group. All significant group components were subjected to full scope audits for the purposes of our audit report on the group financial statements.

The group audit team performed the audit of all significant components of the group.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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**Specified procedures:** The audit work for one component (HSF health plan Malta Limited) was performed by the component auditors in Europe through a combination of group planning liaison with auditors in Malta, provision of group instructions, review and challenge of findings from their working papers and regular interaction on audit and accounting matters which arose. It is noted that the operations of this component are a relatively small aspect of the overall Group so was subject to a specific procedures engagement.

**The control environment**

We evaluated the design and implementation of those internal controls of the Group, including the Parent Charitable Company, which are relevant to our audit, such as those relating to the financial reporting cycle.

We deployed our internal IT audit specialists to obtain an understanding of the general IT environment.

**Climate-related risks**

In planning our audit and gaining an understanding of the Group and Parent Charitable Company, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks.

We have agreed with managements' assessment that climate-related risks are not material to these financial statements, specifically with regards to the portfolio of investments held. Owing to the short tail nature of the insurance operations, there is not considered to be any impact of climate related risks as part of the liabilities.

**Reporting on 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.

**Strategic report and Report of the Board of Trustees**

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

the information given in the Report of the Board of Trustees, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Report of the Board of Trustees.

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received by branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, 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 the 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

**Identifying and assessing potential risks arising from irregularities, including fraud**

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Group's, including the Parent Charitable Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Group
- We enquired about the existence of, and investigated the findings of, any communication with regulators that had occurred during the year.
- Legal and professional expenditures were reviewed for any instances of any legal or regulatory communication or payments which had not been disclosed.
- We enquired of the directors and management including the audit committee concerning the Group's and the Parent Charitable Company's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates particularly in determining expected insurance claim losses.
- The group engagement team shared this risk assessment with the component auditors of significant subsidiaries so that they could include appropriate audit procedures in response to such risks in their work.

**Audit response to risks identified**

In respect of the above procedures:

- We corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Charitable Company's Board of Trustees, and Audit & Finance committee meetings, inspection of legal and regulatory correspondence and correspondences from the regulators the PRA and the FCA;
- audit procedures performed by the engagement team in connection with the risks identified included:
  - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
  - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
  - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
  - enquiry of management around actual and potential litigation and claims.
  - challenging the assumptions and judgements made by management in its significant accounting estimates, and
  - obtaining confirmations from third parties to confirm existence of a sample of balances.
- the Group and the Parent Charitable Company operate in a highly regulated insurance industry. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and the component auditors and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**Use of our report**

This report is made solely to the Parent Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Charitable Company and the Parent Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Sudhir Singh FCA**

(Senior Statutory Auditor)

for and on behalf of MHA MacIntyre Hudson, Statutory Auditor  
London, United Kingdom

Date: 12 April 2023

**THE HOSPITAL SATURDAY FUND**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022		2021	
		£	£	£	£
<b>TECHNICAL ACCOUNT GENERAL BUSINESS</b>					
Earned premiums					
Gross premiums written	2	30,321,555		30,127,674	
Change in the gross provision for unearned premiums		186,828		36,147	
Gross premiums earned			30,508,383		30,163,821
Less: reinsurance premiums			-		(157,542)
Net premiums earned			30,508,383		30,006,279
<b>Claims incurred</b>					
Gross claims paid		(20,959,708)		(20,985,156)	
Change in the gross provision for claims outstanding		16,065		(736,007)	
			(20,943,643)		(21,721,163)
<b>Net operating expenses</b>			(6,996,587)		(6,352,039)
<b>Balance on the technical account for general business</b>			2,568,153		1,933,077
<b>NON-TECHNICAL ACCOUNT</b>					
<b>Investment income</b>					
Income from other financial investments	3	920,457		782,086	
Interest receivable	3	7,762		37,879	
Realised (losses) / gains - other financial investments	10	(488,675)		153,136	
Unrealised gains - other financial investments	10	-		4,570,850	
Investment expenses and charges		(267,646)		(264,936)	
Unrealised (losses) – other financial investments	10	(4,501,309)		-	
			(4,329,411)		5,279,015
<b>Other income</b>					
Coronavirus Job Retention Scheme grants	15	-		16,264	
			-		16,264
Donations and legacies received		1,122		278	
Net income from trading activities		295,473		281,475	
Other charges – charitable activities		(1,930,724)		(2,447,730)	
			(1,634,129)		(2,165,977)
<b>Profit before tax</b>			(3,395,387)		5,062,379
<b>Taxation</b>	14		1,371,766		(450,342)
<b>Profit for the year after tax</b>			(2,023,621)		4,612,037

The profit on ordinary activities before tax is wholly attributable to continuing activities.

The notes on pages 25 to 43 form part of these financial statements.

**THE HOSPITAL SATURDAY FUND**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 Unrestricted Charity £	2022 Trading £	2022 Charity Expendable Endowment £	2022 Total £	2021 Total £
<b>Income and endowments:</b>						
Donations and legacies		1,122	-	-	1,122	278
Trading activities	7	-	30,545,902	-	30,545,902	30,214,339
Investment income	3	368,152	560,067	-	928,219	819,965
Coronavirus Job Retention Scheme	15	-	-	-	-	16,264
Total incoming resources		369,274	31,105,969	-	31,475,243	31,050,846
<b>Expenditure on:</b>						
Raising funds – trading activities	5	230,754	(26,525,068)	(85,541)	(26,379,855)	(29,393,225)
<b>Amounts available for charitable application</b>		600,028	4,580,901	(85,541)	5,095,388	1,657,621
Charitable activities	8	(2,161,478)	-	-	(2,161,478)	(2,035,072)
<b>Net (outgoing)/incoming resources before investment gains and losses</b>		(1,561,450)	4,580,901	(85,541)	2,933,910	(377,452)
Gift aid donation		-	(4,211,504)	4,211,504	-	-
Gain on revaluation of tangible assets		-	-	-	-	-
Realised investment loss	10	-	(149,098)	(339,577)	(488,675)	153,137
Unrealised investment loss	10	-	(3,785,400)	(715,909)	(4,501,309)	4,570,850
Transfer between funds		2,102,123	638,461	(2,740,584)	-	-
<b>Net movement in funds for the year</b>		540,673	(2,926,639)	329,893	(2,056,074)	4,346,535
<b>Funds brought forward</b>		1,346,304	27,465,904	18,887,630	47,699,838	43,353,303
<b>Funds carried forward at 31 December 2022</b>		1,886,977	24,539,265	19,217,353	45,643,764	47,699,838

The notes on pages 25 to 43 form part of these financial statements

All transactions are derived from continuing activities.

The statement of financial activities includes the income and expenditure account.

All recognised gains and losses are included in the statement of financial activities.

## GROUP AND CHARITY BALANCE SHEETS

AT 31 DECEMBER 2022

	Notes	2022		2021	
		Group £	Charity £	Group £	Charity £
<b>FIXED ASSETS</b>					
Tangible assets	9	4,976,701	-	5,022,331	-
Investments	10	33,592,343	33,872,056	36,744,834	31,378,967
		<u>38,569,343</u>	<u>33,872,056</u>	<u>41,767,165</u>	<u>31,378,967</u>
<b>CURRENT ASSETS</b>					
Debtors	11	3,120,087	9,398	2,419,839	2,122
Cash at bank and in hand		8,792,140	6,885,656	10,411,373	7,890,265
		<u>11,912,227</u>	<u>6,895,054</u>	<u>12,831,212</u>	<u>7,892,388</u>
<b>CREDITORS: amounts falling due within one year</b>	12	(4,186,590)	7,653	(4,878,395)	(9,764)
<b>NET CURRENT ASSETS</b>		<u>7,725,638</u>	<u>6,902,707</u>	<u>7,952,817</u>	<u>7,882,624</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>46,294,981</u>	<u>40,774,763</u>	<u>49,719,982</u>	<u>39,261,591</u>
<b>DEFERRED TAXATION</b>	14	(651,217)	-	(2,020,144)	-
<b>NET ASSETS</b>		<u><u>45,643,764</u></u>	<u><u>40,774,763</u></u>	<u><u>47,699,838</u></u>	<u><u>39,261,591</u></u>
Representing:					
<b>FUNDS</b>					
Unrestricted funds					
- General funds	16	1,886,977	19,664,308	1,346,304	19,025,847
- Trading funds	16	24,539,265	-	27,465,904	-
Expendable endowment fund	16	19,217,523	21,110,455	18,887,630	20,235,744
		<u>45,643,765</u>	<u>40,774,763</u>	<u>47,699,838</u>	<u>39,261,591</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 21 March 2023 and were signed below on its behalf by:



JOHN GREENWOOD  
Chair



JANE DALTON  
Vice Chair

The notes on pages 25 to 43 form part of these financial statements.

**THE HOSPITAL SATURDAY FUND**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Notes	2022 £	2021 £
<b>Reconciliation of net movement in funds for the year to net operating cash flows</b>			
Net movement in funds for the year		(2,023,621)	4,612,037
Taxation		(1,371,766)	450,342
Exchange (gains) / losses		(44,271)	684,385
Unrealised losses / (gains) on other financial investments		4,501,309	(4,570,850)
Realised losses / (gains) on other financial investments		488,675	(153,137)
Income from other financial investments and cash	3	(928,219)	(819,965)
Depreciation and amortisation		215,956	231,351
(Increase) in debtors		(700,248)	(8,934)
(Decrease) / Increase in creditors		(691,805)	391,334
<b>Net cashflow from operating activities</b>		<u>(553,990)</u>	<u>816,563</u>
<b>Cash flows from investment activities</b>			
Income received from other financial investments	3	920,457	782,086
Interest received	3	7,762	37,879
Exchange gains / (losses)		14,271	(702,766)
Purchases of tangible fixed assets	9	(170,326)	(36,944)
Acquisition of subsidiaries		(638,461)	(3,160,271)
Purchases of other financial investments		(24,578,629)	(5,704,647)
Sales of other financial investments		23,379,683	7,356,675
<b>Net cashflow from investing activities</b>		<u>(1,065,243)</u>	<u>(1,427,988)</u>
(Decrease) in cash holdings		(1,619,233)	(611,425)
Cash and cash equivalents at 1 January		10,411,373	11,022,798
Cash and cash equivalents at 31 December		<u>8,792,140</u>	<u>10,411,373</u>
<b>Analysis of cash and cash equivalents</b>			
Cash in hand		8,792,140	10,411,373
<b>Total cash and cash equivalents</b>		<u>8,792,140</u>	<u>10,411,373</u>

**ANALYSIS OF CHANGES IN NET CASH**

	At 1 January 2022 £	Cashflows £	Capital Contribution to subsidiary £	At 31 December 2022 £
Cash	10,411,373	(980,772)	(638,461)	8,792,140
<b>Total</b>	<u>10,411,373</u>	<u>(980,772)</u>	<u>(638,461)</u>	<u>8,792,140</u>

There was no net debt in the current and prior year

# THE HOSPITAL SATURDAY FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1. ACCOUNTING POLICIES

The Hospital Saturday Fund is a charitable company limited by guarantee and is incorporated in the England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are that of a grant giving charity.

The charity constitutes a public benefit entity as defined by FRS 102. 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 Standards applicable in the UK and Republic of Ireland (FRS 102 & FRS103), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

These accounts consolidate the accounts of the Charitable Company and its wholly owned non-charitable trading subsidiaries companies HSF health plan Limited, HSF Assist Limited and HSF health plan (Malta) Ltd. As permitted by Section 408 of the Companies Act 2006 and in accordance with paragraph 397 of the Charities SORP 2015, no separate SOFA has been presented for the Charitable Company alone.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**a) Gift of investment in HSF health plan Limited**

The investment is carried at the Trustees' estimate of valuation of the company at 1 April 2007, the date of gift from the company, less any provision for permanent diminution in value. In 2021 the Trustees' acquired a further subsidiary of HSF health plan (Malta) Ltd and this is carried at the Trustees' estimate of valuation of the company at 13 January 2021, the date of the investment in the company plus the valuation of the additional investment in 2022.

**b) Incoming resources**

All incoming resources are included within the Statement of Financial Activities (SOFA) where the charity has legal entitlement to the income, after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Incoming resources represents donations, income of the trading subsidiaries, investment income and Government grants in the form of the Coronavirus Job Retention Scheme grants received. All income is accounted for on a receivable basis.

**Premiums**

Earned premiums represent premium income from policyholders for the year, excluding insurance premium tax and including amounts due on 31 December and subsequently received.

Re-Insurance premiums are deducted from gross premiums earned for the Personal Accident as this is underwritten by a third party. These Re-Insurance premiums are in relation to Accident and Health and this agreement ended on the 31<sup>st</sup> January 2021.

Provision is made for premiums received, but not earned at the balance sheet date.

All premiums arise in the United Kingdom and Ireland.

**c) Tangible Fixed Assets**

The group has adopted the revaluation method in relation to its freehold property. Land and buildings occupied by the Company for its own purposes are stated at valuation less depreciation. Depreciation is applied to both the land and building as the land element is not identified separately. Depreciation in excess of historical costs is charged to the gains on investment/property.

Other Fixed Assets are stated at historical cost less accumulated depreciation. Costs include expenditure directly attributed in making the asset capable of operating as an asset.

Depreciation is provided on all tangible assets at rates calculated to write off the cost or valuation less estimated residual value of assets in equal instalments over their expected useful lives. Assets costing below £1,000 are expensed to the SOFA in the year of acquisition. The rates used are as follows on a straight line basis:-

Freehold property	2%
Furniture, fixtures and fittings	20%
Computer equipment	25%

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1. ACCOUNTING POLICIES (continued)

##### d) Investments

Investments are recognised initially at fair value which is normally the transactional price, in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' subsequently they are reserved at fair value with unrealised gains and losses on the revaluation of listed investments are taken to the Statement of Financial Activities. The basis for determining the fair value is the quoted market price in an active market. Investments in subsidiaries are recognised at cost value.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and market value at the previous financial year end or cost if the investment was acquired subsequently.

##### e) Interest Receivable

Interest receivable is credited to the Statement of Financial Activities in the year in which it is receivable.

##### f) Pension Costs

The Group makes contributions to employees' group personal pension plans. The pension cost charge charged to the Statement of Financial Activities in the year represents contributions payable by the group to the group personal pension plans in respect of the year.

##### g) Redundancy

Redundancy costs arising from periodic reviews of staff levels are charged against profit in the year in which legal or contractual recognition occurs.

##### h) Expenditure

Expenditure is accounted for on an accounts loss and classified under functional headings on a direct cost basis. Expenditure is recognised where there is a legal or contractual obligation to issue a payment to a 3<sup>rd</sup> party, it is probable trust settlement will be required and the amount of the obligation can be measured reliably. Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration, internal and external audit costs and IT support. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 4.

##### i) Claims Incurred

Claims incurred represent benefits payable to policyholders for the year and include a provision for claims in respect of the year to 31 December settled after that date.

##### j) Fund accounting

Unrestricted funds comprise accumulated surpluses on general and trading funds.

General funds comprise the accumulated surplus from the Statement of Financial Activities which are neither restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company.

Trading funds are the accumulated trading surpluses and revaluation surplus of the trading subsidiary.

Expendable endowment funds arise where the terms of the gift aid donation stipulate that the funds are to be treated as capital but may be expended at the discretion of Trustees within the objects of the charity.

Accordingly, the Trustees have the right but not the duty to expend the capital as they see fit.

##### k) Deferred Taxation

Full provision is made for deferred tax assets and liabilities within the trading subsidiary accounts in respect of all non-permanent timing differences that have originated but not reversed at the balance sheet date based on tax rates substantially enacted at the balance sheet date. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

##### l) Operating Leases

Rentals costs payable under operating leases are charged to the Statement of Financial Activities over the period of each lease.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1. ACCOUNTING POLICIES (continued)

##### m) Translation of Foreign Currency

Transactions in foreign currencies are converted monthly at the average monthly rates of exchange. At the year-end assets and liabilities are converted at the exchange rates ruling at that date. Exchange differences are taken to the Statement of Financial Activities.

##### n) Grants

Grants are recognised in the accounts when awarded by the Grant Making Committee and committed to and the recipient has been notified of the award. The grants are awarded at the discretion of the Trustees within the objects of the Charitable Company.

##### o) Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like debtors arising out of direct insurance operations, trade payables, loans to related parties and investments in non-puttable ordinary shares. Financial instruments are measured at fair value using Section 11 and 12 of the FRS 102 framework. The financial assets and financial liabilities of the Company are as follows:

- Debtors – trade and other debtors are financial instruments and are debt instruments measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received as detailed in note 10. Prepayments amounting to £505,569 (2021: £267,630) for the Company are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in note 11. Amounts due to taxation and social security are not included in the financial instrument disclosure.
- Investments – are measured at fair value with the exception of the investment in the subsidiaries which are stated at cost as detailed in note 1.(d).

##### p) Provisions

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the Company. The estimate cost of claims includes expenses to be incurred in settling claims and a deduction for the expected value of recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its material claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the outcome will prove to be different from the original liability established.

Provision is also made at the year-end for the estimated unearned premium income at the balance sheet date. The Company takes all reasonable steps to ensure that it has appropriate information regarding its material unearned premium exposure. However, given the uncertainty in establishing unearned premiums provisions, it is likely the outcome will prove to be different from the original liability established.

##### q) Significant judgments and estimates

The group requires management to make significant judgements and estimates in the preparation of the financial statements. The items in the financial statements where these judgements and estimates have been made include as follows:

- Estimate - Foreign Currency - the translation of foreign currency into the reporting currency.
- Judgement - Technical provisions - the most significant judgement and estimate in the accounts is the technical provisions and debtors, as it can take up to six months after the year end before establishing the ultimate cost of claims incurred and premiums paid but not yet recognised to the Company and the final outcome could be better or worse than the provisions. The Directors use a calculation based on claims and premium trends from the previous two years to estimate the provisions required at the year end. In 2022 there has also been an inclusion in the claims technical provisions for the Personal Accident claims following this coming in-house in February 2021. Due to this being a new area of business for the company and also due to the larger value differences between individual claims values the provision has utilised 4 years of historical data to generate a weighted average which is then multiplied by the number of open claims at the period end with a further inclusion of an additional value for claims which have been incurred but not received.
- Estimate - Land & Buildings - the fair value of the freehold property has been based on the value provided by an independent chartered surveyor in 2021. Even though the value was carried out in the prior year the Trustees believe this to continue to be a fair value for the freehold property, there is an estimated uncertainty in this as no third party valuation was carried out at the current year end.

# THE HOSPITAL SATURDAY FUND

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1. ACCOUNTING POLICIES (continued)

##### r) Employee Benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The Charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

##### s) Tax

The Charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. The taxation charge arising in the year relates to the operation of the Trading Subsidiaries.

##### t) Deferred Tax

Deferred tax is generated from the activities of the charities trading subsidiaries. Full provision is made for deferred tax assets and liabilities within the accounts in respect of all timing differences, which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is recognised only if it can be regarded as probable that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

##### u) Going Concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charities ability to continue as a going concern. The charity therefore continues to adopt the going concern basis in preparing these financial statements.

#### 2. PREMIUM INCOME

	2022	2021
	£	£
Total direct insurance premiums	31,826,932	31,612,524
Less direct insurance premium tax	(1,505,377)	(1,484,850)
	<u>30,321,555</u>	<u>30,127,674</u>
Gross direct premiums written	<u>30,321,555</u>	<u>30,127,674</u>

The Company is engaged in only one class of business, Accident and Health, providing a range of health cash plan schemes. All premium income relates to direct insurance business arising in the United Kingdom, Republic of Ireland and Malta. All premiums received are individual periodic premiums with are based on non-participating contracts.

	2022	2021
	£	£
United Kingdom	12,953,036	13,054,000
Republic of Ireland	17,363,748	17,073,674
Malta	4,771	-
	<u>30,321,555</u>	<u>30,127,674</u>
Gross premiums written	<u>30,321,555</u>	<u>30,127,674</u>

#### 3. INVESTMENT INCOME

	2022	2022	2021	2021
	Charity	Group	Charity	Group
	£	£	£	£
Income from other financial investments	366,321	920,457	418,709	782,086
Interest receivable	1,831	7,762	3,072	37,879
	<u>368,152</u>	<u>928,219</u>	<u>421,781</u>	<u>819,965</u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

<b>4. NET INCOME FOR THE YEAR</b>		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
The net income for the year is stated after charging:			
Depreciation		215,956	231,351
Auditors' remuneration:			
Audit of the charity		9,000	10,200
Audit of the subsidiaries		39,500	35,040
Operating leases		136,510	101,855

<b>5. ANALYSIS OF TOTAL RESOURCES EXPENDED</b>	<b>Direct costs</b>	<b>Grant funding</b>	<b>Support costs</b>	<b>2022 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Raising funds</b>				
Charity	(145,213)	-	-	(145,213)
Subsidiaries	20,943,643	-	5,581,425	26,525,068
<b>Charitable activities (Note 8)</b>	-	2,102,123	59,355	2,161,478
<b>Group Total</b>	<b>20,798,430</b>	<b>2,102,123</b>	<b>5,640,780</b>	<b>28,541,333</b>

All grants in the year were funded from the expendable endowment. The charitable activities support costs for 2022 is a negative balance due to the effect of exchange variance gains made in the year which forms part of this.

	<b>Direct costs</b>	<b>Grant funding</b>	<b>Support costs</b>	<b>2021 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Raising funds</b>				
Charity	118,108	-	-	118,108
Subsidiaries	22,373,753	-	6,901,364	29,275,117
<b>Charitable activities (Note 8)</b>	-	1,811,349	223,723	2,035,072
<b>Group Total</b>	<b>22,491,861</b>	<b>1,811,349</b>	<b>7,125,087</b>	<b>31,428,297</b>

All grants in the year were funded from the expendable endowment.

<b>ANALYSIS OF SUPPORT COSTS</b>	<b>2022 Total</b>	<b>2021 Total</b>
	<b>£</b>	<b>£</b>
Policy Services	341,934	740,896
Staff Costs	4,472,763	3,714,939
Property Costs	189,820	176,346
Sales & Marketing Costs	331,068	302,706
Administration Costs	1,432,428	1,267,413
Governance Costs	258,804	204,843
Exchange Variance	(14,271)	717,944
Tax Movement	(1,371,766)	-
<b>Total</b>	<b>5,640,780</b>	<b>7,125,087</b>

<b>ANALYSIS OF GOVERNANCE COSTS</b>	<b>2022 Total</b>	<b>2021 Total</b>
	<b>£</b>	<b>£</b>
Internal Audit	-	-
External auditors' remuneration		
- Audit services	48,500	45,240
Governance and professional support	210,304	159,603
<b>Total</b>	<b>258,804</b>	<b>204,843</b>

# THE HOSPITAL SATURDAY FUND

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 6. STAFF COSTS

##### Charity

The charity employs no staff, all staff are employed by the trading subsidiaries – HSF health plan Limited & HSF health plan (Malta) Ltd.

	2022	2021
	£	£
Wages and salaries	3,741,138	3,020,934
Social security costs	378,378	330,455
Pension costs	353,247	363,550
	<u>4,472,763</u>	<u>3,714,939</u>

The average number of persons employed during the year was:

Sales	19	18
Administration	52	52
	<u>71</u>	<u>70</u>

The number of employees whose annual emoluments exceeded £60,000 were:-

£60,001 - £70,000	4	5
£70,001 - £80,000	4	2
£80,001 - £90,000	4	1
£90,001 - £100,000	1	-
£100,001 - £110,000	2	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£160,001 - £170,000	-	1
£210,001 - £220,000	1	-
£250,001 - £260,000	-	1
£290,000 - £300,000	1	-
	<u>1</u>	<u>1</u>

Contributions totalling £185,682 (2021: £175,945) were made to group personal pension plans in respect of the 18 (2021: 11) employees above.

None of the trustees were remunerated during the year for their services as trustees of the parent Charitable Company. Expenses totalling £46,687 (2021: £2,057) were reimbursed to eight trustees (2021: five) of the parent Charitable Company for travel, accommodation and subsistence.

Key Management personnel for the Hospital Saturday Fund are only the Trustees as the Charity does not employ any staff. Key management personnel within its trading subsidiary HSF health plan Limited are the Non-Executive Directors, Executive Directors and Head of Departments and total salary and benefits provided total £964,506 (2021: £888,957).

There were redundancy payments in the year totalling £Nil (2021: £38,893). This includes no statutory redundancy payments, payments in lieu of notice and non-contractual payments (2021: £11,500 made to 1 member of staff). The non-contractual payments were made under the authority of the Directors when considered to be in HSF health plan Ltd best interest to avoid potential significant HR/legal costs.

# THE HOSPITAL SATURDAY FUND

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 6. STAFF COSTS (continued)

Five Trustees received remuneration during the year for performance of their duties as Directors of the trading subsidiary HSF health plan Ltd. In accordance with the Charity Commission advice the two Trustees who are not remunerated, form the Remuneration Committee:

	2022	2021
	£	£
Mrs J L Dalton	6,698	7,256
Mr M Davies	16,641	10,878
Mr J Greenwood	8,544	8,300
Mr J Randel	14,172	15,934
Mr D Thomas	14,207	8,600
Total remuneration	60,262	50,968

Contributions totalling £1,366 (2021: £1,366) were made to personal pension plan in respect of the 1 (2021: 1) Director above.

#### 7. RESULTS OF SUBSIDIARIES

HSF health plan Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF health plan Limited, incorporated in the UK (number 30869), is a health cash plan organisation and donates its surplus annual taxable profits to the Charity under Gift Aid. The results of HSF health plan Limited are detailed below:

	2022	2021
	£	£
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	30,503,727	30,163,821
Claims paid and reinsurance	(20,943,499)	(21,878,705)
Net operating expenses	(6,709,910)	(6,352,039)
Balance on the technical account for general business	2,850,318	1,933,077
Investment income and gains	(2,784,880)	2,904,482
Other income	-	16,264
Profit before taxation	65,438	4,853,823
Profit for the year after taxation	1,208,420	4,566,773
<b>BALANCE SHEET</b>		
Fixed assets	21,578,980	25,936,112
Net current assets	261,726	23,455
Deferred taxation	(712,820)	(1,855,802)
<b>NET ASSETS</b>	21,127,886	24,103,765
<b>FUNDS</b>		
General reserve	21,127,885	24,103,765
	21,127,885	24,103,765

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**7. RESULTS OF SUBSIDIARIES (continued)**

HSF Assist Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF Assist Limited, incorporated in the UK (number 8139547), is a helpline organisation and donates its surplus annual taxable profits to the Charity under Gift Aid. The results of HSF Assist Limited are detailed below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	37,520	50,518
Helplines and counselling	(16,747)	(17,946)
Other admin costs inc gift aid donation	(10,545)	(5,368)
	<u>10,228</u>	<u>27,204</u>
Profit for the year after taxation	<u>10,228</u>	<u>27,204</u>
<b>BALANCE SHEET</b>		
Net current assets	<u>10,228</u>	<u>27,204</u>
<b>NET ASSETS</b>	<u>10,228</u>	<u>27,204</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	1	1
Profit and loss account	<u>10,227</u>	<u>27,204</u>
	<u>10,228</u>	<u>27,205</u>

HSF health plan (Malta) Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF health plan (Malta) Limited, incorporated in Malta (registration number: C 93406), is a health cash plan organisation. The results of HSF health plan (Malta) Limited are detailed below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	4,655	-
Claims paid and reinsurance	(144)	-
Net operating expenses	(360,548)	(291,754)
	<u>(356,037)</u>	<u>(291,754)</u>
Balance on the technical account for general business	<u>(356,037)</u>	<u>(291,754)</u>
Investment income and gains	(704,419)	518,873
Other income	257,954	230,957
	<u>(802,502)</u>	<u>458,076</u>
(Loss) / Profit before taxation	<u>(802,502)</u>	<u>458,076</u>
(Loss) / Profit for the year after taxation	<u>(573,718)</u>	<u>294,784</u>
<b>BALANCE SHEET</b>		
Fixed assets	2,601,114	3,350,702
Net current assets	703,972	32,497
Deferred taxation	61,603	(164,342)
	<u>3,366,689</u>	<u>3,547,541</u>
<b>NET ASSETS</b>	<u>3,366,689</u>	<u>3,547,541</u>
<b>FUNDS</b>		
General reserve	<u>3,366,689</u>	<u>3,547,541</u>
	<u>3,366,689</u>	<u>3,547,541</u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

<b>8. GRANTS</b>	<b>Grants to Institutions</b>	<b>Grants to Individuals</b>	<b>Support Costs</b>	<b>2022 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
During the year the following grants were made:				
Medical charities	1,493,712	-	42,176	1,535,888
Hospitals and hospices	254,458	-	7,185	261,643
Welfare grants to individuals	-	343,953	9,712	353,665
Other medical/welfare related organisations	10,000	-	282	10,282
	<u>1,758,170</u>	<u>343,953</u>	<u>59,355</u>	<u>2,161,478</u>
	<b>Grants to Institutions</b>	<b>Grants to Individuals</b>	<b>Support Costs</b>	<b>2021 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
During the year the following grants were made:				
Medical charities	1,442,434	-	178,157	1,620,591
Hospitals and hospices	223,566	-	27,613	251,179
Welfare grants to individuals	-	123,968	15,311	139,279
Covid-19 fund grants	11,382	-	1,406	12,788
Other medical/welfare related organisations	10,000	-	1,235	11,235
	<u>1,687,382</u>	<u>123,968</u>	<u>223,722</u>	<u>2,035,072</u>

A full list of grants to institutions is available on the Charity website (<https://hospitalsaturdayfund.org/grant-updates/>).

<b>9. TANGIBLE FIXED ASSETS</b>	<b>Charity</b>		<b>Group Furniture Fixtures and Fittings</b>		
<b>COST OR VALUATION</b>	<b>Computer Equipment</b>	<b>Total</b>	<b>Freehold property</b>	<b>£</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2022	12,000	12,000	4,995,000	1,891,229	6,898,229
Additions in year	-	-	-	170,326	170,326
	<u>12,000</u>	<u>12,000</u>	<u>4,995,000</u>	<u>2,061,555</u>	<u>7,068,555</u>
At 31 December 2022	12,000	12,000	4,995,000	2,061,555	7,068,555
	<u>12,000</u>	<u>12,000</u>	<u>4,995,000</u>	<u>1,763,998</u>	<u>1,875,898</u>
<b>DEPRECIATION</b>					
At 1 January 2022	12,000	12,000	99,900	116,056	215,956
Charge for year	-	-	99,900	-	-
	<u>12,000</u>	<u>12,000</u>	<u>199,800</u>	<u>1,880,054</u>	<u>2,091,854</u>
At 31 December 2022	12,000	12,000	199,800	1,880,054	2,091,854
	<u>-</u>	<u>-</u>	<u>4,795,200</u>	<u>181,501</u>	<u>4,976,701</u>
<b>NET BOOK VALUE</b>					
At 31 December 2022	-	-	4,795,200	181,501	4,976,701
	<u>-</u>	<u>-</u>	<u>4,895,100</u>	<u>127,231</u>	<u>5,022,331</u>
At 31 December 2021	-	-	4,895,100	127,231	5,022,331

The Company owns a freehold property at 24 Upper Ground, London SE1 9PD which is used for the Company's own activities. The property was valued on 18 February 2021, the fair value of the property was £4,995,000 on an open market basis by an independent valuer, Egerton chartered surveyors. At the date of the revaluation, the directors believed the property had a useful economic life of at least 50 years. The directors have reassessed the valuation at 31 December 2022 which has confirmed no material change or impairment. The historical cost as of the 31 December 2022 was £822,500 (2021: £822,500).

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

10. INVESTMENTS	2022		2021	
	Group £	Charity £	Group £	Charity £
Market value at 1 January	36,744,834	31,378,967	30,557,478	27,164,030
Additions	24,578,629	14,815,474	8,864,918	7,602,044
Disposals	(23,229,811)	(11,606,476)	(7,248,412)	(4,733,977)
Unrealised (losses) / gains	(4,501,309)	(715,909)	4,570,850	1,346,870
Market value at 31 December	33,592,343	33,872,056	36,744,834	31,378,967
Historical cost at 31 December	36,591,750	34,270,834	33,215,313	29,752,822
<b>At market value</b>				
United Kingdom investments (listed)	3,923,602	2,356,603	8,635,098	5,732,580
Overseas investments (listed)	22,027,724	9,938,345	18,439,977	4,592,785
Bonds (listed)	5,427,819	1,912,800	5,604,208	1,271,863
Other (listed)	1,623,503	-	3,528,769	755,892
Cash Fund (unlisted)	589,695	-	536,782	-
<b>At cost value</b>				
Investment in HSF health plan Limited (unlisted)	-	15,865,576	-	15,865,576
Investment in HSF health plan (Malta) Ltd (unlisted)	-	3,798,732	-	3,160,271
	33,592,343	33,872,056	36,744,834	31,378,967

The investment in HSF health plan Limited represents the reserves of HSF health plan Limited at the point at which the ownership was donated to The Hospital Saturday Fund. The consolidated statement of financial activities includes unrealised losses of £4,501,309 (2021 gains of: £4,570,850) and realised losses of £488,675 (2021 gains of: £153,136)

11. DEBTORS	2022		2021	
	Group £	Charity £	Group £	Charity £
Insurance operation debtors	2,041,337	-	1,478,686	-
Other debtors	573,181	-	673,523	331
Balance owed from subsidiaries	-	-	-	1,077
Prepayments and accrued income	505,569	9,398	267,630	715
	3,120,087	9,398	2,419,839	2,122

12. CREDITORS: amounts falling due within one year	Note	2022		2021	
		Group £	Charity £	Group £	Charity £
Insurance operations provisions	13	4,061,774	-	4,264,593	-
Trading operations creditors and accruals		154,043	-	19,065	-
Other creditors and accruals		(7,653)	(7,653)	576,971	9,764
Taxes and social security		(21,574)	-	17,766	-
		4,186,590	(7,653)	4,878,395	9,764

13. MOVEMENTS IN INSURANCE OPERATION PROVISIONS	2022		2021	
	£		£	
Claims Provision				
Claims provision brought forward (including IBNR)			3,284,353	2,548,346
Payments during the year in respect of those provisions			(2,921,412)	(2,499,627)
Adjustment to prior year's provision			(362,941)	(48,719)
Movement in provision during the year			3,268,276	3,284,353
Net loss provision carried forward in respect of outstanding claims			3,268,276	3,284,353

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**13. MOVEMENTS IN INSURANCE OPERATIONS PROVISIONS (continued)**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Unearned Premium Provision		
Unearned premium provision brought forward	980,240	1,016,387
Premiums during the year in respect of those provisions	(980,239)	(1,016,387)
Movement in provision during the year	793,498	980,240
Net loss provision carried forward in respect of unearned premiums	<u>793,498</u>	<u>980,240</u>
Net loss provision carried forward in respect of insurance operations	<u>4,061,774</u>	<u>4,264,593</u>

The provisions detailed above would be expected to be materially realised within six months of the year end due to the nature of our business and the terms and conditions of our policies.

**14. DEFERRED TAXATION**

	<b>Liability on Property revaluation</b>	<b>Short term Timing difference</b>	<b>Fixed asset - timing differences</b>	<b>Losses and other deductions</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2022	(838,322)	(1,219,132)	37,310	-	(2,020,144)
Profit and loss account	-	1,280,735	(25,459)	113,651	1,368,927
Other comprehensive income	-	-	-	-	-
At 31 December 2022	<u>(838,322)</u>	<u>61,603</u>	<u>11,851</u>	<u>113,651</u>	<u>(651,217)</u>
	<b>Liability on property revaluation</b>	<b>Short term timing different</b>	<b>Fixed asset - timing differences</b>	<b>Losses and other deductions</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2021	(637,125)	(751,822)	21,393	-	(1,367,554)
Profit and loss account	-	(466,260)	15,917	-	(450,343)
Other comprehensive income	(201,197)	(1,050)	-	-	(202,247)
At 31 December 2021	<u>(838,322)</u>	<u>(1,219,132)</u>	<u>37,310</u>	<u>-</u>	<u>(2,020,144)</u>

Reversal of deferred tax liabilities in respect of property revaluation is uncertain due to its dependency on prevailing market conditions. In the calculation of the deferred tax the future tax rate of 25% has been taking into consideration.

The tax charge in the Income Statement is made up as follows.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Corporation tax (see below)	(1,142,982)	450,342
Movement on deferred tax provision on property revaluation	-	201,198
	<u>(1,142,982)</u>	<u>651,540</u>

The tax assessed for the year differs from the standard corporation tax rate in the UK of 19.00% (2021: 19.00%).

The differences are explained below:

UK Profit on ordinary activities before tax	65,438	4,853,824
Corporation tax at the standard rate of 19.00% thereon (2021: 19.00%)	12,433	922,227
Effects of:		
Amounts not deductible for tax purposes	2,165	1,892
Fixed asset differences	9,272	16,875
Losses carried back	6,623	-
Dividend and distribution income	(97,520)	(63,657)
Adjustment to tax charge in respect of previous periods – deferred tax	(8,714)	-
Deferred tax (charged) directly to equity	-	(201,198)
Remeasurement of deferred tax for changes in tax rates to 25%	(272,224)	445,392
Adjustment for profits gift aided to parent, charged to reserves	(795,017)	(834,481)
UK Corporation tax on profit	<u>(1,142,982)</u>	<u>287,050</u>



# THE HOSPITAL SATURDAY FUND

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 16. MOVEMENT ON FUNDS (continued)

##### Expendable endowment fund

The principal purpose of the expendable endowment fund is to provide a capital base from which income is earned to finance the grant making activities. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances however these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees. Transfer of funds represents the gift aid donation from trading subsidiaries to The Hospital Saturday Fund and the drawdown of expendable endowment to fund grants awarded in the year. The Reserves Policy is to maintain the Expendable Endowment at a level no less than £5m and no greater than £22m. The charity received large gift aid donations in 2021 & 2022 for the profits made by the trading subsidiary HSF health plan Ltd in the trading years of 2020 & 2021, which was due to the exceptional circumstances that have resulted from the Covid-19 pandemic. However, given we are forecasting that the long-lasting effect of the pandemic and also now the effect of the current inflation situation will likely result in quite low gift-aid donations over the next three years, also as the largest of the three trading subsidiaries has committed to upgrading its Policyholder Database to improve the level of service provided to its customers, the Trustees are not expecting a large increase in the grant making as a result of the 2021 gift aid. Therefore, this will be used to fund the next three years' grant making.

##### Trading fund

The principal purpose of the trading fund is to generate and provide income to the charity through its trading subsidiaries activities. The fund represents the current balance sheet value of HSF health plan Limited, HSF Assist Limited and HSF health plan (Malta) Ltd.

#### 17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2022 are represented by	Total Funds £	Unrestricted funds		Expendable Endowment £
		General Fund £	Trading Fund £	
Tangible fixed assets	4,976,701	-	4,976,701	-
Investments	33,592,642	-	19,384,894	14,207,748
Cash at bank and in hand	8,792,140	1,869,924	1,912,441	5,009,775
Net assets	(1,066,503)	17,051	(1,083,554)	-
Deferred tax	(651,217)	-	(651,217)	-
<b>Total Net Assets</b>	<b>45,643,764</b>	<b>1,886,977</b>	<b>24,539,265</b>	<b>19,217,523</b>

Fund balances at 31 December 2021 are represented by	Total Funds £	Unrestricted funds		Expendable Endowment £
		General Fund £	Trading Fund £	
Tangible fixed assets	5,022,331	-	5,022,331	-
Investments	36,744,834	-	24,391,714	12,353,120
Cash at bank and in hand	10,411,373	1,353,908	2,522,955	6,534,510
Net assets	(2,458,556)	(7,602)	(2,450,954)	-
Deferred tax	(2,020,144)	-	(2,020,144)	-
<b>Total Net Assets</b>	<b>47,669,838</b>	<b>1,346,306</b>	<b>27,465,904</b>	<b>18,887,630</b>

The Trading and Total Funds includes non-distributable reserves of £Nil (2021: £4,219,157) due to inclusion of the revaluation reserve.

#### 18. PENSION COSTS

The trading subsidiary, as the employer in the group, makes contributions to group personal pension plans. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable for the year by the trading subsidiary to the personal pension plans and amounted to £416,206 (2021: £429,926).

At the balance sheet date, there were outstanding contributions of £Nil (2021: £Nil)

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 19. OPERATING LEASE COMMITMENTS

At 31 December 2022, the Group had annual commitments under operating leases which expire as follows:

	2022		2021	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Within one year	24,844	67,007	24,844	63,641
In the second to fifth years inclusive	28,984	24,444	53,828	16,970
	<u>53,828</u>	<u>91,451</u>	<u>78,672</u>	<u>80,611</u>

#### 20. CONTINGENT LIABILITIES

No provision has been made for any levy which the trading subsidiary, HSF health plan Ltd may be called upon to pay under the provisions of the Policyholders Protection Act 1975 as the likelihood of this arising is considered to be remote. The maximum amount of any such levy in respect of the current financial year would be £303,168 (2021: £311,277).

#### 21. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS

This section has been broken down in to the key natures of risk arising, these are Market, Underwriting, Counterparty Default, Operational and Insurance.

##### Market Risk

##### Key Risks

The key drivers of the charge are asset class spread and equity risks. HSF health plan's asset portfolio contains a relatively conservative mix of bonds and equities.

##### Controls

To minimise risk and secure long term growth and inflation protection a diversified spread of assets in the form of property, equities, fixed interest securities, pooled funds and bank deposits are held currently using two fund managers, three banks, the High Court of Ireland and HSF itself. No derivatives, options, or stock loans are underwritten or directly held, although some pooled/hedge funds will have some exposure.

##### Risk Appetite

HSF health plan's appetite for market risk is relatively medium to low. The tolerance limits for Market Risk are detailed in HSF health plan's Risk Appetite document. As at the date of this report, there are no known breaches of market risk tolerances and the business is expected to remain within appetite over the life of the business plan.

##### Underwriting Risk

##### Key Risks

- Unexpected increase in claims frequency or deterioration in reserves
- Inadequate identification of current and emerging underwriting risks
- Sustained soft market resulting in falling premium rates resulting in inadequate volume of business to support operations

##### Controls

The short-tailed nature of its liabilities offer a predictable and stable book of reserves which render a risk profile commensurate with its risk appetite. The main driver of HSF health plan's Underwriting risk is the exposure to catastrophe risk which is generated due to the health nature of the insurance policies sold. HSF health plan has robust underwriting controls to mitigate its exposure under catastrophe risk and align it to its risk appetite and strategic business plan. Re-Insurance was used to remove all risks associated with the personal accident as a third party underwrites this while this was insured by a third party. This remained in place until the 31 January 2021, after this date the underwriting of the personal accident was brought inhouse to the company, due to this being similar to existing underwriting risks it was not assessed as a significant risk.

##### Risk Appetite

As at the date of this report, there are no known breaches of underwriting risk tolerances and the business is expected to remain within appetite over the life of the business plan.

##### Counterparty Default Risk

##### Risk Capital

HSF health plan's Counterparty Default Risk (CDR) draws a capital charge of just under £0.5m, which equates to approximately 25% of its undiversified capital charge.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 21. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS (continued)

##### Key Risks

The main driver of the CDR is HSF health plan's cash at HSBC, Ulster Bank, AIB, Brewin Dolphin and ABRDN which is unrated.

##### Controls

- Monthly reviews of broker balances
- Semi-annual asset allocation review

##### Risk Appetite

HSF health plan's tolerance thresholds for CDR is documented in greater detail in its Risk Appetite document. As at the date of this report, there are no known breaches of CDR risk tolerances and the business is expected to remain within appetite over the life of the business plan.

##### Operational Risk

HSF health plan's policy is to maintain an acceptable balance between the risk of operational failures, and the need to operate efficiently and prudently to ensure that contributions represent good value for money to policyholders. Appropriate precautions are taken to manage/control risk here, and compliance/internal/business audits are undertaken from time to time on material activities and areas of potential concern. This is deemed to be adequate given the nature, scale and complexity of HSF health plan's business.

##### Sensitivity

##### Assumptions and sensitivities

The risks associated with the non-life insurance contracts are complex and subject to a number of variables, which complicate quantitative sensitivity analysis. The Company uses several statistical and actuarial techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The key methods used by the Company for estimating liabilities are expected loss ratio and benchmarking.

HSF health plan's management has considered a number of stress and scenario tests designed to provide a reasonableness check of the core-modelled results and more generally, the Risk Management Framework.

A key test was performed to determine whether losses resulting from any of the extreme events scenarios (assumed to be equal to or greater than 1 in 200 year events) would require capital holding in excess of the Solvency II Standard Formula model output; and hence whether HSF health plan would need to either increase its capital buffer or alter its modelling methodology and assumptions.

These tests are intended to be pragmatic illustrations of the major impact of an extreme adverse event or events rather than an attempt to model every possible consequence.

	Profit/Loss before tax		Accumulated Fund	
	2022	2021	2022	2021
	£	£	£	£
Before sensitivities	65,438	4,853,823	21,127,885	24,103,765
Reduction in business volumes by 15%	(4,482,080)	334,672	16,580,367	19,584,614
Reduction in investment market values by 25%	(5,329,307)	(1,630,205)	15,733,140	17,619,737

The conclusion from these tests was that HSF health plan currently holds adequate capital to absorb the shock from various extreme natural catastrophic events, which it is exposed to on a net basis from writing health insurance. In all the scenarios tested (which can be deemed to be extreme and fall under stress tests), HSF health plan remains solvent and fulfils obligations to its policyholders. However, if such events did occur HSF health plan may need to raise further capital, introduce reinsurance, or reduce operations.

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**21. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS (continued)**

**Insurance Risk**

HSF's policy is to offer no insurance policy or renewal options beyond a month or two, and to manage the benefit/contributions levels to achieve over the long term a small surplus of contributions over claims and business costs. The Company has a risk associated with the claims technical provision which is calculated based on the requirement for claims to be submitted within 6 months of the date of treatment, by using two previous year's figures analysis to produce a trend and utilise this trend to calculate the current year's provisions. In 2021 there has also been an inclusion in the claims technical provisions for the Personal Accident claims following this coming in-house in February 2021. Due to this being a new area of business for the company and also due to the larger value differences between claims the provision has utilised 4 years of historical data to generate a weighted average which is then multiplied by the number of open claims at the period end with a further inclusion of an additional value for claims which have been incurred but not received.

**Concentration**

The Company writes non-life insurance on a monthly renewable base. The Company's primary insurance risk exposure is pandemic risk from widespread diseases. The concentration of non-life insurance by type of contract is summarised below by reference to liabilities:

	<b>Gross claims</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Direct Insurance</b>	20,959,708	20,985,156
	<u>20,959,708</u>	<u>20,985,156</u>

**22. FINANCIAL RISK MANAGEMENT**

**Liquidity Risk – HSF health plan Limited only**

The objective of the Company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows.

The following table shows details of the expected maturity profile of the Company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance and participating investment contract liabilities. Unearned premiums are excluded from this analysis. This table includes both interest and principal cash flows.

<b>2022</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3 months to 1 year</b>	<b>1-5 years</b>	<b>5+ years</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other liabilities	-	-	93,669	-	-	93,669
Outstanding claims	1,539,985	1,263,121	465,075	-	-	3,268,181
	<u>1,539,985</u>	<u>1,263,121</u>	<u>558,744</u>	<u>-</u>	<u>-</u>	<u>3,361,850</u>

<b>2021</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3 months to 1 year</b>	<b>1-5 years</b>	<b>5+ years</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other liabilities	-	-	608,649	-	-	608,649
Outstanding claims	1,240,455	1,352,162	691,736	-	-	3,284,353
	<u>1,240,455</u>	<u>1,352,162</u>	<u>1,300,385</u>	<u>-</u>	<u>-</u>	<u>3,893,002</u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**22. FINANCIAL RISK MANAGEMENT (continued)**

**Credit Risk – HSF health plan Limited only**

The objective of the Company is managing its credit risk exposure is to ensure risk is managed in line with the Company’s risk appetite. The Company has established policies and procedures in order to manage credit risk and methods to measure it. The Company’s maximum exposure to credit risk for insurance receivables would be 15% of net premiums earned, £4,575,559 (2021: £4,500,942).

The following table shows the carrying value of assets that are neither past due or impaired and the ageing of assets that are past due but not impaired. No assets have been impaired.

<b>Credit Risk as at 31 December 2022</b>	<b>Neither past due nor impaired</b>	<b>Past due less than 30 Days</b>	<b>Past due 31 to 60 days</b>	<b>Past due 61 to 90 days</b>	<b>Past due more than 90 days</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Insurance receivables	-	1,445,966	595,371	-	-	2,041,337
	-	1,445,966	595,371	-	-	2,041,337
<b>Credit Risk as at 31 December 2021</b>	<b>Neither past due nor impaired</b>	<b>Past due less than 30 Days</b>	<b>Past due 31 to 60 days</b>	<b>Past due 61 to 90 days</b>	<b>Past due more than 90 days</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Insurance receivables	-	1,155,723	322,963	-	-	1,478,686
	-	1,155,723	322,963	-	-	1,478,686

**Market Risk – HSF health plan Limited only**

The Company is exposed to price risk arising from fluctuations in the value of financial instruments because of changes in market prices and the risks inherent in all investments. The Company has no significant concentration of price risk. The Company maintaining an appropriate mix of investment instruments to manage the risk.

The Company’s sensitivity to a 0.5% increase and decrease in market prices is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
0.5% increase		
Movement in bonds	15,402	18,721
Movement in equities	59,020	73,730
0.5% decrease		
Movement in bonds	(15,402)	(18,721)
Movement in equities	(59,020)	(73,730)

The Company’s method for sensitivity to interest rate fluctuations has not changed significantly over the year.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

## 22. FINANCIAL RISK MANAGEMENT (continued)

### Fair Value

#### i. Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in FRS 102 para 34.22, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair value measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair value measured using valuation techniques in which any significant input is not based on observable market data

	Level 1 £	Level 2 £	Level 3 £	The Company Total £
Financial instruments	40,767,110	-	-	40,767,110

The carrying amounts of the financial instruments carried at cost or amortised cost approximate to their fair value mainly because of the short maturity of those instruments.

## 23. CAPITAL MANAGEMENT

The objective of the Company in managing its capital requirements is to ensure that it will be able to continue as a going concern and comply with the regulators' capital requirements of the markets in which the Company operates, while maximising the return to HSF health plan Ltd through the optimising of the capital. The capital structure of the Company consists of reserves.

The Company was in compliance with capital requirements imposed by the regulators throughout the financial year.

The capital requirement of the Company is determined by its exposure to risk and the solvency criteria established by management and statutory regulations. The table below sets out the statutory minimum capital requirement and the Company's available capital.

	2022 £	2021 £
Statutory minimum capital requirement	2,734,456	3,137,677
Total available capital resources	21,127,886	24,592,013
Statutory Minimum Capital Solvency Cover %	773%	784%

## **THE HOSPITAL SATURDAY FUND**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **24. RELATED PARTY TRANSACTIONS**

No trustee or other person related to the charity had any personal interest in any contract or transaction entered by the charity during the year (2021: £Nil).

The charity received Gift Aid donations during the year from its trading subsidiaries totalling £4,211,504 (2021: £4,392,316).

There is a debtor's balance of £26,632 (2021: £55,071) owed from the charities subsidiary company HSF health plan (Malta) Ltd in relation to services provided during the year.

Also there is a creditor's balance of £1,873 (2021: £4,976) owed to the charities trading subsidiary HSF health plan Ltd in relation to fees paid on behalf of the company.

#### **25. POST BALANCE SHEET EVENTS**

There were no significant post balance sheet events

**THE HOSPITAL SATURDAY FUND**

England & Wales - Charity number 1123381

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# Accounts

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**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT AND GROUP FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2021**



*John Randel, Chair of HSF health plan Ltd & Trustee of the Hospital Saturday Fund, presents a grant cheque to Welsh Air Ambulance Charitable Trust*

UK Registered Company Number: 6039284  
UK Registered Charity Number: 1123381  
Ireland Registered Charity Number: 20104528

**THE HOSPITAL SATURDAY FUND**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2021**

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**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES**

**YEAR ENDED 31 DECEMBER 2021**

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**OFFICERS AND ADVISERS**

<i>Chairman</i>	Mr J Greenwood
<i>Vice Chairman</i>	Mr D Thomas
<i>Other Trustees</i>	Mrs J L Dalton LLB (Hons) Mr M Davies Professor P W Palmer BA(Hons) PhD FCIS FIIA DChA FRSH (until 4 <sup>th</sup> November 2021) Mr J Randel Mrs M Rogers
<i>Chief Executive</i>	Mr P W Jackson MSc BA (Hons) DChA
<i>Company Secretary</i>	Mrs Pauline Jones CertPFS
<i>Patron</i>	Ms L Garrett CBE FRAM
<i>Principal Bankers</i>	HSBC Bank Plc, London Commercial Banking Centre, Level 6, 71 Queen Victoria Street, London, WC2R 1DJ
<i>Solicitors</i>	Armstrong Teasdale 200 Strand, London, EC2M 2AN
<i>Independent Auditors</i>	MHA MacIntyre Hudson 6 <sup>th</sup> Floor, 2 London Wall Place London EC2Y 5AU
<i>Investment Managers</i>	UBS AG 5 Broadgate London EC2M 2AN  Abrdn Capital Limited Bow Bells House 1 Bread Street London EC4M 9HH
<i>Registered Office</i>	24 Upper Ground LONDON SE1 9PD  Telephone: 020 7202 1365 Fax: 020 7928 0446 Email: <a href="mailto:charity@hsf.eu.com">charity@hsf.eu.com</a>

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES**

**YEAR ENDED 31 DECEMBER 2021**

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The Board of Trustees is pleased to present the 15<sup>th</sup> Annual Report comprised of the Report of the Board of Trustees and Strategic Report and the audited financial statements for the year ended 31 December 2021.

**STRATEGIC REPORT**

**Summary**

The Hospital Saturday Fund has been helping people in times of illness or medical need since 15 June 1873. In those days there was no NHS and very little government aid for those who needed it most. This led the Victorian social reformer, the Twelfth Earl of Meath, and others to establish The Hospital Saturday Fund to give working people an opportunity to contribute to the costs of running their local hospitals, so named because Saturday was the traditional pay-day when people were more likely to have a few pennies to spare. Over the years leading to the formation of the NHS in 1948, HSF gradually became a health cash plan but maintained its charitable support for hospitals and medical charities.

The Hospital Saturday Fund is now a grant-making charity which donates to medically associated charities for care and research, and to some individuals with health problems throughout the UK and Ireland. The Hospital Saturday Fund is also the parent of three trading subsidiaries The HSF health plan Ltd, HSF health plan Malta Ltd & HSF Assist Ltd which generate the income from their trading activity to fund the grant-making. HSF health plan Ltd is a company limited by guarantee which provides a range of health cash plan schemes throughout the United Kingdom and the Republic of Ireland. HSF health plan Malta markets health cash plan schemes in Malta. HSF Assist Ltd provides an employee support telephone service to corporate clients.

**Services Agreement**

A Services Agreement between the Charitable Company and HSF health plan Limited has been entered into so that staff and resources will be provided to the Charitable Company by the Trading Company.

**OBJECTIVES AND ACTIVITIES**

**Charitable Objects**

The Charitable Company's principal objects as set out in its Memorandum of Association are:

“the relief of sickness and suffering and giving of help to those who are aged, infirm, unemployed or in need and who require Medical Relief as hereinafter defined or who are pregnant and for the promotion of medical research for the benefit of the public in the United Kingdom of Great Britain and Northern Ireland, Eire, the Channel Islands, the Isle of Man and Malta.”

**Impact**

The Trustees of the Charitable Company are aware of their duties under the Charities Act in regard to public benefit. Each Trustee is aware of the general public benefit guidance from the Charity Commission. They aim to discharge that trust by making grants to a great number of medical charities which benefit a wide section of the general public in both the United Kingdom and Ireland. The Board has set in place monitoring and evaluation procedures to review the impact of the work to ensure the aims of the Charitable Company are being met. The trading activities of the subsidiary companies enable The Hospital Saturday Fund to continue its charitable activities.

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR**

The Grant Making Committee continued to operate with the knowledge that however ‘deserving’ some charities and individuals appeared in their applications, there was not enough money to respond to each one and careful, fair and responsible decisions had to be made. This care was demonstrated in the time taken to examine applications on behalf of individuals and the submissions from charities and by responding as fairly as possible.

**Grants made in the year**

During 2021, HSF processed 393 applications on behalf of individuals and, after careful assessment by the Grant Making Committee, 326 were awarded a grant making a total of £123,968 (2020: £90,780) for the year. A further total of £1,687,382 (2020: £1,242,622) was awarded to 534 medical charities, hospices and hospitals including the special medical school grant. The following pages show a chart and table analysing the grants made in the year by type and by geographical spread. Following these charts are examples of the feedback received from recipients which emphasise the public benefit achieved by the grants.

**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

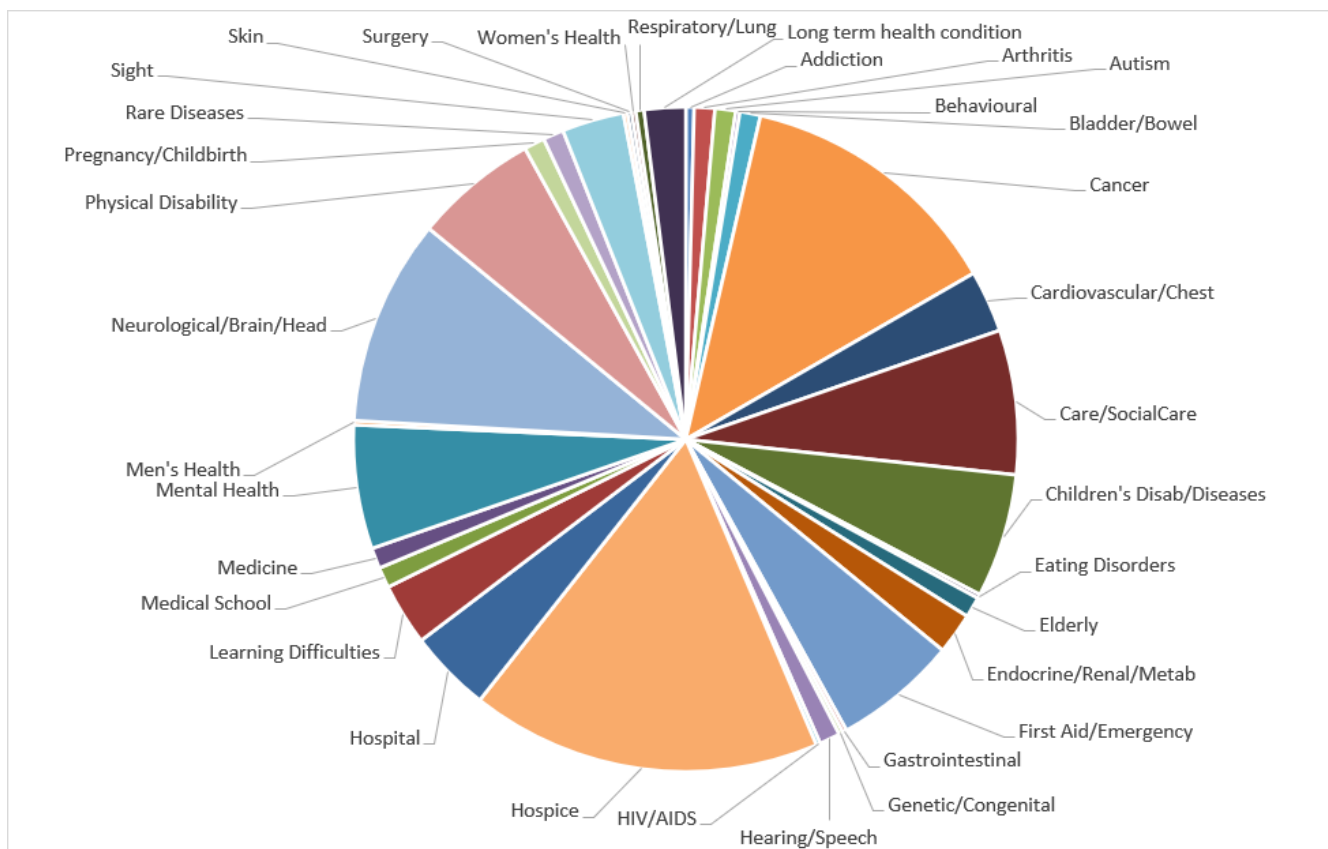
**YEAR ENDED 31 DECEMBER 2021**

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

**Annual Receptions**

The Board endeavours to hold Receptions each year in order to present grants in person to representatives of medical charities, hospices and hospitals. The Trustees had hoped to hold two such events at the University of Exeter and University College Cork respectively in 2021. Unfortunately, these events have been cancelled due to the current Covid 19 crisis.

The following pie chart shows grants awarded by type of charity for the year ended 31 December 2021



The vast majority of grants awarded were for £2,000 (or €3,000), with 34 lesser donations being made. During 2021, 74 higher grants ranging between £2,000 and £10,000 (or €3,000 and €13,500) were awarded to charities where a specific need was deemed by the Committee to warrant a larger award.

The Committee endeavours to ensure that not only is there a wide geographical spread within the grant making but, within the charities supported, there are many different types of illness, disability, care, research and age groups represented.

Further details of the grants given can be found in Note 8 of the accounts on page 34.

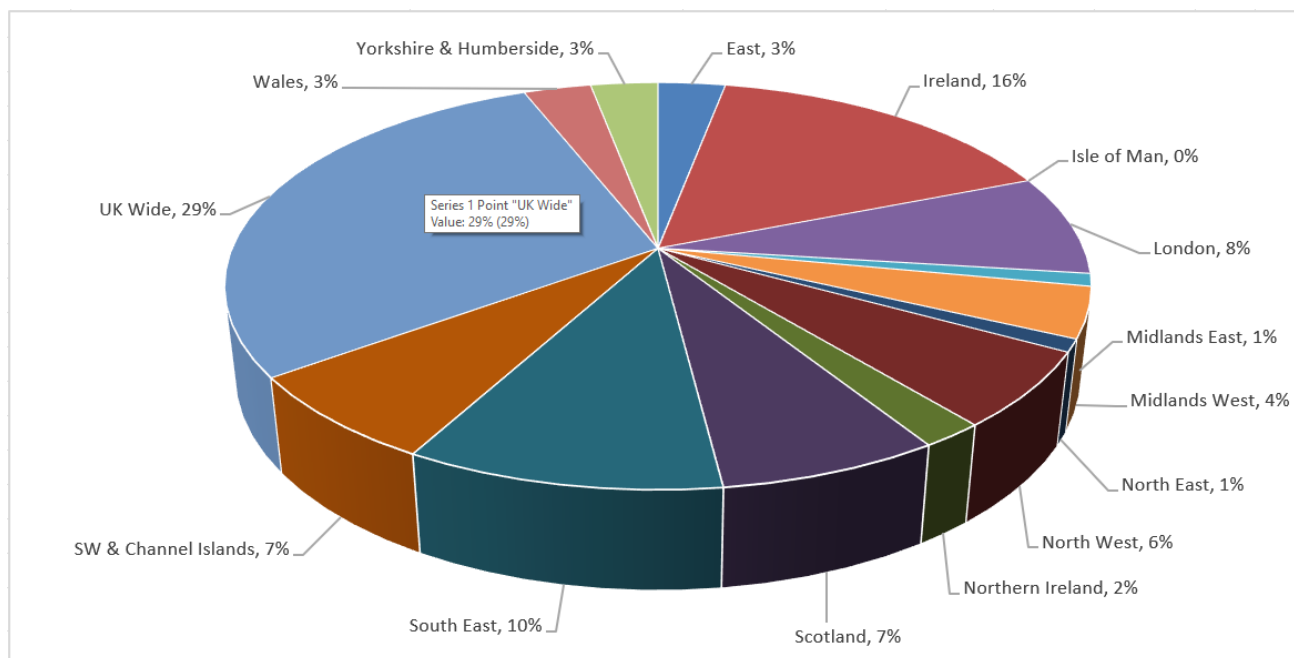
**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2021**

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

Grants are made to both local and national institutions. The following pie chart shows grants awarded by region for the year ended 31 December 2021.



Organisations receiving grants ranged from Leonard Cheshire Disability, Irish Wheelchair Association, MS Therapy Centre NW, Arthritis Ireland, St John of God Hospital, Hampshire & Isle of Wight Air Ambulance, Cherry Trees, Cruse Bereavement Care Scotland, Irish Heart Foundation, Kidney Research UK, Livability, Greenfingers Charity, Whizz-Kidz, Bliss, Royal College of Emergency Medicine, Cerebral Palsy Cymru, Cork Counselling Services, Air Ambulance Northern Ireland, Glasgow Children’s Hospital Charity, MS Trust, Disabled Sailors Association, Pancreatic Cancer UK, Breast Cancer UK, Forget Me Not Children’s Hospice, Autistica, Stoke Mandeville Spinal Research, Irish Society for Colitis & Crohn’s Disease

Grants to hospitals were for specific projects, equipment or designated charitable funds.

**Fund Raising**

The Group does not fundraise externally or use any professional fundraiser or any commercial participator in raising its funds.

**Evaluation process**

In meeting the Charities Act requirement to demonstrate public benefit through the grant making process, Trustees consider not only the recipient charities and their applications but also the impact the past awards have had. As such, the Trustees ensure that feedback from recipients is obtained where possible and reviewed for evidence of the grant being used for its correct purpose. In fact, the Trustees commissioned an independent review of the Charity’s overall impact. The review was carried out by a MSc Student from Centre for Charity Effectiveness, Bayes Business School, City University of London. The review was extremely positive and the Trustees are to discuss the report’s recommendations at their Board meeting on 15 March 2022.

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2021**

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**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

Condensed versions of updates received from grantees are available on our website: <https://www.hospitalsaturdayfund.org/news-archive>. Amongst others, updates on the website relating to work supported by The Hospital Saturday Fund in 2021 refer to:

- A grant for their medical elective programme (Imperial College London)
- To help fund research into rare and severe conditions in children (Bowel Research UK)
- To provide support to the National Dementia Helpline (Dementia UK)
- Towards a programme for understanding hearing loss in children (RNID)
- A grant towards midwife pre-eclampsia study days (Action on Pre-eclampsia)
- To fund first aid training (Bay Search and Rescue)
- To help fund a research programme into ovarian cancer and the microbiome (Eve Appeal)
- A grant for syringe pumps for community care (St Christopher's Hospice)
- Funding towards Community Support and Awareness in Northern Ireland (Meningitis Now)
- A grant towards a community nursing service for the homeless (Vineyard Community)
- To help fund new beds for the children's unit (St Andrew's Hospice)
- A grant for electric shower chairs for an older person's unit (Our Lady's Hospice & Care Services)
- Funding towards a Patient Family Liaison Nurse (Welsh Air Ambulance Charitable Trust)
- A grant towards supporting vulnerable young carers (Edinburgh Young Carers)
- To provide a residential Neurorehabilitation space (Acquired Brain Injury Ireland)
- To help fund a community buddy programme (Fight Against Suicide Ireland)
- A grant towards the hospice at home service (Katharine House Hospice)
- To provide assistive magnification technology for sight loss (Walsall Society for the Blind)
- A grant towards a smart technology programme – Enabling the Disabled (Cheshire Ireland)
- To help fund research into improving radiotherapy for prostate cancer (Prostate Cancer Research)

In addition, The Hospital Saturday Fund receives many letters of appreciation from grantees. The following are quotations taken from letters sent to the Charity following grants being awarded to each:

**Grant to Cystic Fibrosis Trust**

We are truly grateful for The Hospital Saturday Fund's support of this research programme, and for helping to improve the lung health of people with cystic fibrosis.

**Grant to Polio Survivors Ireland**

It is difficult to paint in words, how much this means, but it makes such a difference to so many and we cannot thank you enough.

**Grant to Downright Special**

Thank you so much for awarding us a grant towards the costs of establishing a Health Lead for Downright Special. As a result, we were able to recruit a Learning Disability Nurse to the team on a temporary part-time basis, and because of your funding we were then able to secure further funding from elsewhere to secure the position for a full year.

**Grant to St Nicholas Hospice Care**

Thank you so very much for the grant to purchase a RAZ Rehab Shower Chair for use on Sylvan Ward. This donation is especially welcome as our funding has come under enormous pressure this year due to Covid-19. Our shops have been shut and fundraising events cancelled. At the same time we have increased the number of beds on our ward in order to be able to reduce pressure on the West Suffolk Hospital. Thank you so much for your support.

**Grant to the British Heart Foundation**

We are proud to have made great strides over the last 60 years, and as we look to the next 60, are more determined than ever to beating heartbreak forever. I would like to take this opportunity to thank you for all that The Hospital Saturday Fund has done to support the BHF over the years, our achievements would not have been possible without it.

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2021**

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**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

**Grant to Calibre Audio**

We are very appreciative of The Hospital Saturday Fund's support especially in a year of even higher demand for grants. I thought you would like to read the following comment from a member which shows the difference your grant makes: *"I live alone and have no family and cannot describe the pleasure, and companionship, the audio books give me. At least, for a time, they provide a wonderful form of escapism from the traumas of the turbulent times we are having to confront. Thank you all for making it possible for these pleasures to continue"*.

**Grant to the Central Remedial Clinic**

We are deeply grateful to The Hospital Saturday Fund for your ongoing support of the essential work undertaken by the CRC to make a positive difference to the lives of people with disabilities. Your support of education for children with disabilities helps us achieve our vision for our clients to live full and valued lives as equal citizens.

**Grant to Purple House Cancer Support Ireland**

Our new Rehabilitation Gym was installed last Tuesday. We are absolutely thrilled with it and thank you so much to The Hospital Saturday Fund for all their support, we truly appreciate it.

**Grant to Spina Bifida Hydrocephalus Ireland**

We want to take this opportunity to thank The Hospital Saturday Fund for the funding received which enabled us to produce and develop this very important tool for people in Ireland living with spina bifida and/or hydrocephalus. It will have such a positive impact on the lives of our service users.

**Grant to Kids Cancer Charity**

We are delighted to have resumed the Respite Breaks after they were put off due to the pandemic. Thanks to the generosity of organisations like The Hospital Saturday Fund, we've arranged 125 Respite breaks between May and November. Our Respite Breaks are designed around families with younger children or teenagers with cancer to enable them to spend quality time together in a relaxed environment. Often this will be the first family holiday since diagnosis and provides the whole family an opportunity to spend time together away from the stresses of hospital and invasive treatment allowing them to rebuild the family unit.

Individuals have also expressed their gratitude and there are extracts from letters below:

**Grant for physiotherapy sessions**

I thought it would be nice to send you some photos of Z at physiotherapy sessions, so you can see how much she does benefit from it and how much we appreciate it! Thank you again for all your help and support for Z, it means more than I can say. I wholeheartedly appreciate it. I will always remember your kindness and support.

*Parent of Individual Grant Recipient*

**Grant for home adaptations**

Our thanks to The Hospital Saturday Fund for their recent generous grant. These funds will be used to provide J with his own accessible ground floor bedroom and wet room, so he can continue to be cared for safely and with dignity in his own home. This specific donation will be used to provide non-slip wheelchair accessible flooring for J in his new spaces, which are well underway in their creation! Our gratitude to everyone at The Hospital Saturday Fund for making this positive and lasting difference to J's life.

*Sullivan's Heroes Charity*

**Grant for a wheelchair**

Thank you for the generous donation towards the cost of equipment for our applicant. We are delighted to receive these funds. This donation will allow our applicant to continue to live their life independently. Thank you once again for your continued and valued support.

*Brittle Bone Society*

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2021**

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**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

**Grant for a scooter**

I wish to share with you a lovely photograph and a thank you received from our patient, JB. You will clearly see how positive the HSF contribution has made to her happy outdoor pursuits. "I am so thrilled with the scooter, and have really enjoyed being able to get out and about with family and friends in the last few weeks".  
*John Walton Muscular Dystrophy Research Centre*

**Grant for specialised car seat**

Thanks again for the very generous grant for the purpose-made car seat. It came at just the right time with JP's hip dislocation. Thanks again, it will mean a lot to JP and us.  
*Parent of Individual Grant Recipient*

**Grant for a scooter**

Just want to say thanks again for all your support and kindness. I collected the scooter on Saturday morning and am extremely pleased with it. It will change my lifestyle in ways I can't even imagine. I wish you and your organisation all the very best.  
*Individual Grant Recipient*

**Grant for mobility equipment**

J received his rollator and is over the moon with it. Words cannot describe the difference it has made. Just wanted to say thank you again, from both of us.  
*Parent of Individual Grant Recipient*



*Paul Jackson, HSF Group Chief Executive presents a grant cheque to Fiona Stuart, Trustee of the Stella Hancock Driving Group, part of Riding for the Disabled*

**THE HOSPITAL SATURDAY FUND**  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2021**

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**FINANCIAL REVIEW**

**State of affairs**

The Group Statement of Financial Activities for the year is set out on page 21 and shows net incoming resources before investment gains and losses for the year of £194,729, (2020: £4,380,024). Net movement in funds for the year amounted to £4,510,877, after investment gains of £4,705,606 resulted in a net asset position as at 31 December 2021 of £47,864,180 (2020: £43,353,303). Of these funds, £27,630,246 is represented by the net assets of the trading subsidiary.

The trading company HSF health plan Ltd's total profit for the year was £4,566,773 (2020: £7,252,628). Total premiums (less Insurance Premium Tax) for the year were £30,163,821. Benefits payable (including Personal Accident premiums and helplines) for the year were £22,444,112 and represented 74.4% of premium income. The Directors consider the overall state of affairs to be satisfactory.

The trading company HSF Assist Ltd's total profit for the year was £27,204 (2020: £18,693). Total income for the year was £50,518 (2020: £31,515). The Directors consider the overall state of affairs to be satisfactory.

For the charity alone, total income for the year amounted to £6,326,837 (2020: £5,876,155) including gift aid from the subsidiary companies of £4,392,316 (2020: £5,594,802). Grants totalling £2,035,073 (2020: £1,333,402) were made during the year, which is considerably in excess of income available for charitable application. These grants were therefore made by utilising expendable endowment funds. After charging the grants and crediting the gift aid payment and realised and unrealised investment gains the endowment fund increased by £833,880 to £18,887,630

The Trustees are satisfied with the net asset position of the group at the year end and are confident that sufficient funds will be available to meet the future needs of the Charitable Company.

**Reserves Policy**

The Trustees have established a policy for retaining reserves both in light of the risks the charitable group faces and the Trustees' strategic priorities for their grant making activities. In essence the principal purpose of the reserves are to provide a capital base from which income would be earned to finance the grant making activities. The Trustees' reserve policy is to maintain an expendable endowment at a level of no less than £5m and no greater than £22m, this is to ensure a prudent approach to the risks faced by the Charity and also to ensure the continued level of the Charity's grant-making. This approach has been put in place by the Trustees to avoid the situation where its annual grant-making is reduced or ceases, if the Charity fails to receive a Gift Aid donation from its Trading Subsidiary for a number of years. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances; however these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees. They received a large gift aid donation was received in 2020 and are expecting a large gift aid donation from 2021 which is due to the exceptional circumstances that have resulted from the Covid-19 pandemic. However, given we are forecasting that the long lasting effect of the pandemic will likely result in quite low gift-aid donations over the next three years, also as the largest of the three trading subsidiaries has committed to upgrading its Policyholder Database to improve the level of service provided to its customers, the Trustees are not expecting a large increase in the grant making as a result of the 2021 gift aid. Therefore, this will be used to fund the next three years' grant making.

The charity plans carefully to ensure that it budgets in accordance with expected income flows but inevitably short-term fluctuations can occur. In light of this policy residual free reserves will be held at a level sufficient to cover the operational working capital needs of the charity and to provide for short term fluctuations in either falls in investment income year on year, and/or falls in profitability of the trading subsidiary. For clarity trading reserves have been separated from free charitable funds.

At the end of the year free reserves totalled £1,346,306. Although this is a small increase in the level compared with last year, the continued tough economic climate and its impact on the investment portfolio has meant that grant making activities were all financed from the endowment fund. The Trustees, having reviewed their strategy, are satisfied that the policy is appropriate and satisfied with the level of free reserves. An external review had been carried out in 2019 by a City of London University student, who found our current Reserves Policy is fit for purpose. The policy is reviewed annually by the Board of Trustees to ensure its continuation or to review if there are any required changes to the policy or reserves held and this was approved at the November 2021 Board meeting.

The trading subsidiary HSF health plan Ltd holds reserves of £24,103,765. The trading subsidiary requires reserves of this level to meet its Solvency II requirements as an insurance provider.

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2021**

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**Principal Risks and Risk Assessment**

The Board of The Hospital Saturday Fund regularly assesses the risks to which the Charity is exposed. It agrees how best these risks may be mitigated and the Charity takes the appropriate action to manage these risks. The risks and associated mitigations are all recorded on the organisation's risk register.

The Charitable Company's principal risks are the inability of the investment portfolio to generate income, the failure of its Trading Subsidiary to generate sufficient profits, which support the Charity's annual grant-making and the withdrawal of the UK from the EU and the potential impact on the way the charity is able to operate in the Republic of Ireland. All of these principal risks along with others are monitored closely and where possible control and mitigating action plans are put in place and these are monitored quarterly by the Boards.

The Risk & Compliance Committee of the Charitable Company's Trading Subsidiary monitor the Company's risk exposure in all areas including investment, operational, financial, human resources, sales and business continuity, with the Committees also monitoring their own areas of risk as well. It advises the Board on risk management and policy, while it also keeps under review the effectiveness of these areas. The Chief Risk Officer (CRO) is the Executive Director accountable for enabling the efficient and effective governance of significant risks, and related opportunities, for the Trading Company and this role is the responsibility of the Managing Director. The Chief Risk Officer reports to the Risk & Compliance Committee quarterly to assist the committee with actively monitoring the risks and ensure the controls and appropriate monitoring systems are in place, the CRO is also accountable to the Board of Directors.

The Trading Company has produced various risk registers for the different parts of the business and these are kept under constant review by the various Committees and Board to manage and mitigate risks. Risk & Compliance Committee meet regularly to review and monitor these and reports to the Board. The Board are satisfied with the Risk management policies and procedures in place.

The main activity of the Trading Company is operator of a medical cash plan and with this business activity, comes the need to take risk. We monitor the profitability of schemes and the claims data regularly, taking action when required and deemed necessary. The scheme premiums are rated on detailed analysis of historic claims data. Under the insurers regulatory regime, we also consider and diligently monitor a wide range of other risk including market, liquidity, interest rate, insurance, operational, concentration among others, this is done by regular consideration of the ORSA (Own Risk and Solvency Assessment), further information on some of these risks can be found in Note 21 and Note 22 of this document.

**Solvency II**

The Solvency II regime, which came into effect on 1 January 2016, has continued throughout 2020. The most significant requirement under Solvency II is the submission to the Prudential Regulatory Authority (PRA) on a regular basis (usually annually) of the Own Risks and Solvency Assessment (ORSA), following approval of the Board. The ORSA was approved at the Board meeting in September 2021 and was subsequently submitted to the PRA. The Board will continue to monitor this activity and ensure the company continues to satisfy their solvency requirements

**Investments & Investment Policy**

Under the Memorandum and Articles of Association, the Trustees of the Charitable Company have the power to make any investments which the Trustees see fit. On 25 November 2021 the Board appointed Abrdn Capital Limited as Investment Managers, who replaced UBS AG. Although Abrdn Capital Limited were appointed in November 2021 the transfer of investments didn't take place until after the year end.

The Trading Company's Investment Policy is linked to the Prudential Regulation Authority solvency requirements. Its Investment Policy reflects a low to medium risk profile, which is similar to that of the overall Charitable Group. The Charitable Company's portfolio produced a net gains of £4,214,937 on the investments held. Both the Trading Company's & Charitable Company's Investment Policies are reviewed annually by the Charitable Company's Investment Committee.

**THE HOSPITAL SATURDAY FUND**  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2021**

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**Investments & Investment Policy (continued)**

The Charitable Company follows a composite benchmark of a weighted index of the markets represented within the adopted asset allocation, i.e. the index relating to the specific asset class is multiplied by the percentage, which that particular asset class represents of the whole portfolio, and then these are added together to create the composite benchmark.

The Charitable Company's ethical investment policy is that no investment may be made in any company that derives any of its income from tobacco manufacturing or earns more than 10% from tobacco related products. To further enhance the Charitable Company's ethical investment policy all holdings in the portfolio held with UBS AG were switched to a Socially Responsible and Sustainable Strategy in April 2018, the strategy invests in companies that are exhibiting a highly sustainable approach to their business looking at environmental, social and governance criteria. This investment strategy will continue under Aberdeen Standard.

**Remuneration policy**

The Board of Trustees is satisfied that the Trading Subsidiary's staff salaries are benchmarked against market levels, using salary surveys and job comparison searches obtained from reputable recruitment agencies. The Trading Subsidiary's Human Resources Committee monitor and review on an annual basis.

**Post Brexit – Third country branch**

To maintain our long-standing provision of service in the Republic of Ireland (ROI), since 1949, the Board of Directors and Senior Leadership Team, in consultation with their advisors, liaised closely with the Central Bank of Ireland (CBI) to continue trading in ROI following the conclusion of the transition period on 31<sup>st</sup> January 2020. On the 4<sup>th</sup> of January 2021 the CBI issued the company with a letter and certificate of authorisation confirming the company's status in Ireland as a Branch in the state of a Third Country Insurance Undertaking. The company has operated under these new regulatory arrangements for the remainder of 2021.

**FUTURE PLANS**

The Trustees hold Receptions each year in order to present grants in person to representatives of medical charities, hospices and hospitals. The Trustees hope to hold one such event at the University College Cork on 17 November 2022.

In 2022, it is expected that grants awarded to medical charities, hospitals and hospices will be in the region of £2,100,000 and recipients are already receiving funds. This will be even more appreciated as charities experience a decline in funding, generally, during these difficult times.

The Charity relies on the success of its Trading Subsidiary, HSF health plan, not only to maintain but potentially to increase the size of its expendable endowment and therefore to increase the amount of charitable grants. The Trustees look forward to extending their grant making in the long term resulting in a greater contribution to the work of the medical charity sector.

The Trustees have expanded the trading activities and have completed the previously approved investment in an additional trading subsidiary based in Malta. This subsidiary is marketing health cash plans in Malta and received its insurance licence from the Maltese Financial Services Authority in February 2021.

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2021**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**The Association**

The Association performs an important role in the overall governance of the Charitable Company and the governing document is the Articles of Association dated 16 October 2019 and amended 7 November 2019. The Members of the Association are responsible for electing the Board and Honorary Officers of the Charitable Company.

The Association comprises up to 100 Members (excluding Honorary Officers) whose services will, in the opinion of the Board, be advantageous to The Hospital Saturday Fund. Appointment is for a period of three years, but renewable. From time to time the Board recommends to the Association that some Members should be elected for their lifetime, in recognition of particular service. The President, Vice Presidents and Life Members of the Association are listed below.

<i>President</i>	The Right Honourable The Lord Mayor of London	
<i>Vice-Presidents</i>	The Right Honourable The Earl of Meath The Right Honourable The Lord Mayor of Dublin The Right Honourable The Lord Provost of Glasgow The Right Honourable The Lord Mayor of Belfast Mr K R Bradley MCMI	
<i>Life Members of the Association</i>	Mr. D C Barnes Mr. P Battams Mr. T A Botly Mr. M J Boyle FCA Miss. D O Denton JP Mr. R Dool Mr. L I Fellman Mr. K Lawrey JP LLB MA MSc (Econ) Barrister (Gray's Inn) Mrs. L M C Warner RGN SCM ONHC (deceased 11 Jan 2021)	Mrs. P E Lee Miss. I Racher Mr. A M Rees LLB BA FCIPD Mr. E W Smith Mr. W N Smith Mr. D T Young Mr. P P Groat (deceased August 2021)

The Association held two General Meetings during the year, the first being the Annual General Meeting which was held on 13 May 2021 on zoom, due to Covid-19 restrictions. The President and Vice Presidents (listed above) were elected. Recognising that some civic offices change hands at times of the year not close to the Fund's AGM, authority was given to the Board to invite the successors of those elected to serve in the appropriate Honorary Officer capacity.

At an Extraordinary General Meeting held on 4 November 2021, Mr John Greenwood was re-elected as Chairman of the Association and Board, also at this meeting Mrs Jane Dalton and Mr John Randel were elected for a three-year term as Trustees.

**Board of Trustees**

The Board comprises the Chairman and six other Trustees. The Trustees are also Directors of the Charity for the purposes of the Companies Act. The Chief Executive and the Company Secretary attend Board Meetings.

At each Board Meeting, Trustees receive reports from the Board of HSF health plan Limited and annually they appoint two Members of the Association, who are not Trustees, to attend the Annual General Meeting of HSF health plan Limited with full voting rights.

The Trustees are covered by qualifying third party indemnity insurance, paid by HSF health plan Limited, which was in place throughout the year and remains in force at the date of this report.

At each Board Meeting, Trustees receive reports from the Board of HSF Assist Limited.

Following the introduction of the Charity Governance Code in July 2017 and further updates in 2020, The Charity has sought to follow the principles throughout its Governance structure and processes.

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2021**

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**Appointment, Induction and Training of the Trustees**

Trustees are appointed to the Charity Board through a nomination and election process by the Members of the Association. They are appointed for a term of office of three years. The Association Members, by virtue of the Articles of Association, decide who serves as Non-Executive Directors of HSF health plan Limited and who should serve the Grant Making Committee.

On appointment, all new Trustees receive thorough induction and training, which includes receiving detailed information about the Charity via a Trustee Manual, including its Memorandum and Articles, latest accounts, latest financial reports and minutes of recent Trustees' meetings. In addition, new Trustees attend an induction process at head office, where they are briefed by the Chief Executive and key staff on all aspects of the Charity's operations, staffing and organisation management. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Trustee training is provided by the Charitable Company as required. Trustees are encouraged to attend appropriate external training courses / seminars to enhance their expertise and are required to undertake the Association of Financial Mutuals / Chartered Insurance Institute health cash plan training module which concludes with an examination. Those who serve the trading company are also encouraged to attend external training appropriate for Non-Executive Directors managing an insurance company regulated by the Prudential Regulation Authority.

**Grant Making Committee, Policies and Procedures**

The Committee usually meets every quarter and reports directly to the Board. In addition to the two Trustees elected as Chair, Professor Paul Palmer (until 4 November 2021) and Vice Chair, Mrs Margaret Rogers (until 25 November 2021), the Committee includes appointed members Mrs Natalie Bennett, Mr Paul Jackson, Mrs Pauline Jones, Mr Keith Lawrey, Mrs Carol Murphy, Mr Cathal Nolan, and Mr Glyn Tomlinson. Mrs Rogers was elected Chair of the Grant Making Committee on 25 November 2021.

Grants are awarded to national and local medical charities, hospitals and hospices throughout the UK and Ireland. Grant making guidelines for both individuals and organisations (medical charities, hospices and hospitals) are drawn up and approved by the Board. For individuals this means that applications are only accepted through a third party who has some involvement in the care of the applicant, e.g. doctor, social worker or another charity, and the demonstrated need is required to have a strong medical connection. Hospitals are required to state a particular capital project or charity within their hospital to receive their grant. Detailed guidelines for our grant making policy are available on our website [www.hospitalsaturdayfund.org](http://www.hospitalsaturdayfund.org).

The Grant Making Committee members and Trustees of The Hospital Saturday Fund take the opportunity to visit charities or attend their receptions in order to gain a greater overall knowledge.

**THE HOSPITAL SATURDAY FUND**  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2021**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Report, Strategic Report, and the financial statements in accordance with applicable law and regulations.

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). The Trustees have also applied the basis of preparation FRS102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and FRS103 Insurance Contracts. 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

ON BEHALF OF THE BOARD ON 15 March 2022



JOHN GREENWOOD  
Chairman



DAVE THOMAS  
Vice-Chairman

**HOSPITAL SATURDAY FUND  
YEAR END 31 DECEMBER 2021**

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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For the purpose of this report, the terms “we” and “our” denote MHA MacIntyre Hudson in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of The Hospital Saturday Fund. For the purposes of the table on pages 14 to 15 that sets out the key audit matters and how our audit addressed the key audit matters, the terms “we” and “our” refer to MHA MacIntyre Hudson. The “parent charitable company” is defined as The Hospital Saturday Fund. The relevant legislation governing the parent charitable company is the United Kingdom Companies Act 2006 (“Companies Act 2006”).

**Opinion**

We have audited the financial statements of The Hospital Saturday Fund (the parent charitable company) and its subsidiaries (the group) for the year ended 31 December 2021.

The financial statements that we have audited comprise:

- Consolidated Income Statement
- Consolidated Statement of Financial Activities
- Group and Charity Balance Sheets
- Consolidated Statement of Cash Flows
- Notes 1 to 26 of the financial statements, including the accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law, Financial Reporting Standard 102 - *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, Financial Reporting Standard 103 - *Insurance Contracts*, and 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 of the parent charitable company’s affairs as at 31 December 2021 and incoming resources and application of resources, including its income and expenditure, for the year then ended;
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Overview of our audit approach**

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Materiality	2021	2020	
<b>Group</b>	£1,430,900	£611,000	3% of net assets (2020: 2% of gross revenue)
<b>Parent charitable company</b>	£1,177,800	£611,000	3% of net assets (2020: 2% of gross revenue)

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**Key audit matters**

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- Income recognition
- Reasonableness of estimates of provisions for outstanding claims liabilities

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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**Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team and as required for public interest entities, our results from those procedures. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Income recognition**

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<b>Key audit matter description</b>	Fraud in income recognition is a 'significant audit risk' unless otherwise rebutted. Income could be overstated as to mislead the performance of the Group.
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<b>How the scope of our audit responded to the key audit matter</b>	Our procedures included assessing the design and implementation of key controls around the recording of premium income. This included key control testing on new joiners, ensuring that they are accurately and promptly entered into the policyholder system. In addition to the control testing, we performed substantive analytical review procedures reconciling expected premium income from the policyholder database, to that which had been recorded in the financial statements to ensure that income was complete.
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We have also reviewed other sources of income and agreed to supporting documentation where relevant.

<b>Key Observations</b>	We concluded that income (including premium income) was complete and had been accurately recorded in the financial statements.
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**Provision for outstanding claims**

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<b>Key audit matter description</b>	As described in accounting policy 1(r), provisions are made at the year-end for the estimated costs of claims incurred, but not settled, at the balance sheet date. As this assessment requires judgements, it is considered a key area of focus for the audit due to the material amount of the provision.
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<b>How the scope of our audit responded to the key audit matter</b>	Our procedures included an assessment of the methodologies used in order to calculate the claim provisions at the year end. We then tested this methodology by substantive analytical review which included the review of historic provision against actual results, review of any changes in methodology used in the current year as compared to previous years, the expected provision based on historical patterns, and the reasonableness of the methodology in light of the Covid-19 pandemic, Brexit or other information available.
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<b>Key Observations</b>	We concluded that the provision for outstanding claims is within an acceptable level and has been recorded appropriately.
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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**Our application of materiality**

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the parent charitable company was set at £1,177,800 (2020: £611,000) which was determined on the basis of 3% of the Parent charitable company's net assets (2020: 2% of gross revenue). This was deemed to be the appropriate benchmark for the calculation of materiality as this is a key area of the financial statements with which the users of the financial statements are principally concerned.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the parent charitable company was set at £1,001,100 (2020: £519,350) which represents 85% (2020: 85%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding £58,500 to the Board of Trustees as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Our definition of materiality considers the value of error or omission on the financial statements that would change or influence the economic decision of a reasonably knowledgeable person. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the group was set at £1,450,500 (2020: £611,100) which was determined on the basis of 3% of Net Assets (2020: 2% of gross revenue).

**The scope of our audit**

In addition to the parent charitable company, the group consists of 3 reporting components.

- HSF health plan Limited
- HSF Assist Limited
- HSF health plan (Malta) Limited

HSF health plan Limited and HSF Assist Limited were considered to be significant components of the group. All significant group components were subjected to full scope audits for the purposes of our audit report on the group financial statements.

The group audit team performed the audit of all significant components of the group.

HSF health plan (Malta) Limited was not considered as a significant component of the group and was subject to a specific procedure engagement (component auditors).

**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.

Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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- the consideration of inherent risks to the group and parent charitable company's operations and specifically its business model
- the evaluation of how those risks might impact on the group and parent charitable company's available financial resources.
- where additional resources may be required the reasonableness and practicality of the assumptions made by the Trustees when assessing the probability and likelihood of those resources becoming available.

Our evaluation of the Trustees' assessment included:

- Liquidity considerations including examination of cash flow projections;
- Solvency considerations including examination of budgets and forecasts and their basis of preparation;
- Viability assessment including consideration of reserve levels and business plans.

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 and 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.

We have nothing material to add or draw attention to in relation to the Trustees' statement within the Trustees' Report about whether the Trustees consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

It is our responsibility to obtain sufficient and appropriate evidence regarding and to conclude on:

- whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent charitable company's ability to continue as a going concern and
- the appropriateness of the trustees' use of the going concern basis of accounting in the preparation of the financial statements.

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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion of 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**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 strategic report and the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees' report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received by branches not visited by us; or
- the 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 Trustees' responsibilities statement, the Trustees 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 the 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 the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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- Obtaining an understanding of the legal and regulatory frameworks that the group operates in, focusing on those laws and regulations that had a direct effect on the financial statements. The key laws and regulations we considered in this context included UK Companies Act, Insurance Services Act 2015 and the Financial Services and Markets Act 2000 and applicable tax legislation. In addition, we considered compliance with the UK Bribery Act and employee legislation, as fundamental to the group's operations;
- Reviewing key correspondence with regulatory authorities such as the Financial Conduct Authority, Prudential Regulatory Authority, and Financial Reporting Council;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Enquiry of management around actual and potential litigation and claims;
- Enquiry of the audit and finance committee of the subsidiary concerning actual and potential litigation and claims;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;
- Assessment of matters reported on the group's whistleblowing helpline and the results of management's investigation of such matters;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular with respect to provisions for claims incurred but not reported; and
- Enquiries made of the component auditors of the subsidiary, HSF health plan (Malta) Limited.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the Trustees.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group's or the parent charitable company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>

This description forms part of our auditor's report.

**Other requirements**

We were appointed by the Trustees on 29 November 2019. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 3 years.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the Trustees.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Sudhir Singh FCA  
(Senior Statutory Auditor)**

for and on behalf of MHA MacIntyre Hudson  
Statutory Auditor  
London, United Kingdom

Date: 22 April 2022

**THE HOSPITAL SATURDAY FUND**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021		2020	
		£	£	£	£
<b>TECHNICAL ACCOUNT GENERAL BUSINESS</b>					
Earned premiums					
Gross premiums written		30,127,674		31,177,756	
Change in the gross provision for unearned premiums		36,147		(169,737)	
		<u>                    </u>		<u>                    </u>	
Gross premiums earned			30,163,821		31,008,019
Less: reinsurance premiums			(157,542)		(1,184,652)
			<u>                    </u>		<u>                    </u>
Net premiums earned			30,006,279		29,823,367
<b>Claims incurred</b>					
Gross claims paid		(20,985,156)		(18,220,179)	
Change in the gross provision for claims outstanding		(736,007)		(42,645)	
		<u>                    </u>		<u>                    </u>	
			(21,721,163)		(18,262,824)
<b>Net operating expenses</b>			(6,352,039)		(5,714,744)
			<u>                    </u>		<u>                    </u>
<b>Balance on the technical account for general business</b>			1,933,077		5,845,799
<b>NON-TECHNICAL ACCOUNT</b>					
<b>Investment income</b>					
Income from other financial investments	3	782,086		611,399	
Interest receivable	3	37,879		44,201	
Realised gains - other financial investments	10	153,136		50,729	
Unrealised gains - other financial investments	10	4,570,850		1,280,626	
Investment expenses and charges		(264,936)		(249,838)	
		<u>                    </u>		<u>                    </u>	
			5,279,015		1,737,117
<b>Other income</b>					
Coronavirus Job Retention Scheme grants	15	16,264		235,222	
		<u>                    </u>		<u>                    </u>	
			16,264		235,222
Donations and legacies received		278		1,598	
Net income from trading activities		281,475		18,693	
Other charges – including charitable activities		(2,447,730)		(1,259,865)	
		<u>                    </u>		<u>                    </u>	
			(2,165,977)		(1,239,574)
<b>Profit on ordinary activities before tax</b>			5,062,379		6,578,564
			<u>                    </u>		<u>                    </u>
<b>Taxation</b>	14		(450,342)		(375,970)
			<u>                    </u>		<u>                    </u>
<b>Profit for the year after tax</b>			4,612,037		6,202,594
			<u>                    </u>		<u>                    </u>

The profit on ordinary activities before tax is wholly attributable to continuing activities.

The notes on pages 25 to 44 form part of these financial statements.

**THE HOSPITAL SATURDAY FUND**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 Unrestricted Charity £	2021 Trading £	2021 Charity Expendable Endowment £	2021 Total £	2020 Total £
<b>Income and endowments:</b>						
Donations and legacies		278	-	-	278	1,598
Trading activities	7	-	30,214,339	-	30,214,339	31,039,533
Investment income	3	421,781	398,184	-	819,965	655,600
Coronavirus Job Retention Scheme	15	-	16,264	-	16,264	235,222
Total incoming resources		422,059	30,628,787	-	31,050,846	31,931,953
<b>Expenditure on:</b>						
Raising funds – trading activities	5	(450)	(29,275,117)	(117,658)	(29,393,225)	(26,297,664)
<b>Amounts available for charitable application</b>		421,609	1,353,670	(117,658)	1,657,621	5,634,289
Charitable activities	8	(2,035,072)	-	-	(2,035,072)	(1,254,265)
<b>Net (outgoing)/incoming resources before investment gains and losses</b>		(1,613,464)	1,353,670	(117,658)	(377,452)	4,380,024
Gift aid donation		-	(4,410,697)	4,410,697	-	-
Gain on revaluation of tangible assets		-	-	-	-	2,645,000
Realised investment gain	10	-	(12,455)	165,592	153,137	50,729
Unrealised investment gain	10	-	3,223,980	1,346,870	4,570,850	1,280,626
Transfer between funds		1,811,350	3,160,271	(4,971,621)	-	-
<b>Net movement in funds for the year</b>		197,886	3,314,769	833,880	4,346,535	8,356,380
<b>Funds brought forward</b>		1,148,418	24,151,135	18,053,750	43,353,303	34,996,923
<b>Funds carried forward at 31 December 2021</b>		1,346,304	27,465,904	18,887,630	47,699,838	43,353,303

The notes on pages 25 to 44 form part of these financial statements

All transactions are derived from continuing activities.

The statement of financial activities includes the income and expenditure account.

All recognised gains and losses are included in the statement of financial activities.

## GROUP AND CHARITY BALANCE SHEETS

AT 31 DECEMBER 2021

	Notes	2021		2020	
		Group £	Charity £	Group £	Charity £
<b>FIXED ASSETS</b>					
Tangible assets	9	5,022,331	-	5,216,738	-
Investments	10	36,744,834	31,378,967	30,557,478	27,164,030
		<u>41,767,165</u>	<u>31,378,967</u>	<u>35,774,216</u>	<u>27,164,030</u>
<b>CURRENT ASSETS</b>					
Debtors	11	2,419,839	2,122	2,410,905	1,407
Cash at bank and in hand		10,411,373	7,890,265	11,022,798	7,924,279
		<u>12,831,212</u>	<u>7,892,388</u>	<u>13,433,703</u>	<u>7,925,686</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(4,878,395)</u>	<u>(9,764)</u>	<u>(4,487,062)</u>	<u>(19,724)</u>
<b>NET CURRENT ASSETS</b>		<u>7,952,817</u>	<u>7,882,624</u>	<u>8,946,641</u>	<u>7,905,962</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>49,719,982</u>	<u>39,261,591</u>	<u>44,720,857</u>	<u>35,069,992</u>
<b>DEFERRED TAXATION</b>	14	<u>(2,020,144)</u>	<u>-</u>	<u>(1,367,554)</u>	<u>-</u>
<b>NET ASSETS</b>		<u><u>47,699,838</u></u>	<u><u>39,261,591</u></u>	<u><u>43,353,303</u></u>	<u><u>35,069,992</u></u>
Representing:					
<b>FUNDS</b>					
Unrestricted funds					
- General funds	16	1,346,304	19,025,847	1,148,418	15,749,403
- Trading funds	16	27,465,904	-	24,151,135	-
Expendable endowment fund	16	18,887,630	20,235,744	18,053,750	19,320,589
		<u>47,699,838</u>	<u>39,261,591</u>	<u>43,353,303</u>	<u>35,069,992</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 15 March 2022 and were signed below on its behalf by:



JOHN GREENWOOD  
Chairman



DAVE THOMAS  
Vice Chairman

The notes on pages 25 to 44 form part of these financial statements.

**THE HOSPITAL SATURDAY FUND**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Notes	2021 £	2020 £
<b>Reconciliation of net movement in funds for the year to net operating cash flows</b>			
Net movement in funds for the year		4,612,037	6,202,594
Taxation		450,342	375,970
Exchange losses / (gains)		684,385	(518,861)
Unrealised (gains) on other financial investments		(4,570,850)	(1,280,626)
Realised (gains) on other financial investments		(153,137)	(50,729)
Income from other financial investments and cash	3	(819,965)	(655,600)
Depreciation and amortisation		231,351	265,830
(Increase) / Decrease in debtors		(8,934)	243,247
Increase in creditors		391,334	161,753
<b>Net cashflow from operating activities</b>		<u>816,563</u>	<u>4,743,578</u>
<b>Cash flows from investment activities</b>			
Income received from other financial investments	3	782,086	611,399
Interest received	3	37,879	44,201
Exchange (losses) / gains		(702,766)	518,861
Purchases of tangible fixed assets	9	(36,944)	(74,511)
Acquisition of subsidiaries		(3,160,271)	-
Purchases of other financial investments		(5,704,647)	(8,349,813)
Sales of other financial investments		7,356,675	7,576,232
<b>Net cashflow from investing activities</b>		<u>(1,427,988)</u>	<u>326,369</u>
(Decrease)/increase in cash holdings		(611,425)	5,069,947
Cash and cash equivalents at 1 January		11,022,798	5,952,851
Cash and cash equivalents at 31 December		<u>10,411,373</u>	<u>11,022,798</u>
<b>Analysis of cash and cash equivalents</b>			
Cash in hand		10,411,373	11,022,798
<b>Total cash and cash equivalents</b>		<u>10,411,373</u>	<u>11,022,798</u>

**ANALYSIS OF CHANGES IN NET DEBT**

	At 1 January 2021 £	Cashflows £	Acquisition of subsidiary £	At 31 December 2021 £
Cash	11,022,798	2,548,846	(3,160,271)	10,411,373
<b>Total</b>	<u>11,022,798</u>	<u>2,548,846</u>	<u>(3,160,271)</u>	<u>10,411,373</u>

# THE HOSPITAL SATURDAY FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1. ACCOUNTING POLICIES

The Hospital Saturday Fund is a charitable company limited by guarantee and is incorporated in the England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are that of a grant giving charity.

The charity constitutes a public benefit entity as defined by FRS 102. 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 Standards applicable in the UK and Republic of Ireland (FRS 102 & FRS103), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

These accounts consolidate the accounts of the Charitable Company and its wholly owned non-charitable trading subsidiaries companies HSF health plan Limited, HSF Assist Limited and HSF health plan (Malta) Ltd. As permitted by Section 408 of the Companies Act 2006 and in accordance with paragraph 397 of the Charities SORP 2015, no separate SOFA has been presented for the Charitable Company alone.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### a) Gift of investment in HSF health plan Limited

The investment is carried at the Trustees' estimate of valuation of the company at 1 April 2007, the date of gift from the company, less any provision for permanent diminution in value. In 2021 the Trustees' acquired a further subsidiary of HSF health plan (Malta) Ltd and this is carried at the Trustees' estimate of valuation of the company at 13 January 2021, the date of the investment in the company.

##### b) Translation of Foreign Currency

Transactions in foreign currencies are converted monthly at the average monthly rates of exchange. At the year-end assets and liabilities are converted at the exchange rates ruling at that date. Exchange differences are taken to the Statement of Financial Activities.

##### c) Incoming resources

All incoming resources are included within the Statement of Financial Activities (SOFA) where the charity has legal entitlement to the income, after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Incoming resources represents donations, income of the trading subsidiaries, investment income and Government grants in the form of the Coronavirus Job Retention Scheme grants received. All income is accounted for on a receivable basis.

##### d) Premiums

Earned premiums represent premium income from policyholders for the year, excluding insurance premium tax and including amounts due on 31 December and subsequently received.

Re-Insurance premiums are deducted from gross premiums earned for the Personal Accident as this is underwritten by a third party. These Re-Insurance premiums are in relation to Accident and Health and this agreement ended in on the 31<sup>st</sup> January 2021.

Provision is made for premiums received, but not earned at the balance sheet date.

All premiums arise in the United Kingdom and Ireland.

##### e) Interest Receivable

Interest receivable is credited to the Statement of Financial Activities in the year in which it is receivable.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1. ACCOUNTING POLICIES (continued)

##### f) Expenditure

Expenditure is accounted for on an accounts loss and classified under functional headings on a direct cost basis. Expenditure is recognised where there is a legal or contractual obligation to issue a payment to a 3<sup>rd</sup> party, it is probable trust settlement will be required and the amount of the obligation can be measured reliably. Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration, internal and external audit costs and IT support. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 4.

##### g) Claims Incurred

Claims incurred represent benefits payable to policyholders for the year and include a provision for claims in respect of the year to 31 December settled after that date.

##### h) Pension Costs

The Group makes contributions to employees' group personal pension plans. The pension cost charge charged to the Statement of Financial Activities in the year represents contributions payable by the group to the group personal pension plans in respect of the year.

##### i) Employee Benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The Charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

##### j) Redundancy

Redundancy costs arising from periodic reviews of staff levels are charged against profit in the year in which employees leave the group.

##### k) Grants

Grants are recognised in the accounts when awarded by the Grant Making Committee and committed to and the recipient has been notified of the award. The grants are awarded at the discretion of the Trustees within the objects of the Charitable Company.

##### l) Operating Leases

Rentals costs payable under operating leases are charged to the Statement of Financial Activities over the period of each lease.

##### m) Fund accounting

Unrestricted funds comprise accumulated surpluses on general and trading funds.

General funds comprise the accumulated surplus from the Statement of Financial Activities which are neither restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company.

Trading funds are the accumulated trading surpluses and revaluation surplus of the trading subsidiary.

Expendable endowment funds arise where the terms of the gift aid donation stipulate that the funds are to be treated as capital but may be expended at the discretion of Trustees within the objects of the charity. Accordingly, the Trustees have the right but not the duty to expend the capital as they see fit.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1. ACCOUNTING POLICIES (continued)

##### n) Tangible Fixed Assets

The group has adopted the revaluation method in relation to its freehold property. Land and buildings occupied by the Company for its own purposes are stated at valuation less depreciation. Depreciation in excess of historical costs is charged to the gains on investment/property.

Other Fixed Assets are stated at historical cost less accumulated depreciation. Costs include expenditure directly attributed in making the asset capable of operating as an asset.

Depreciation is provided on all tangible assets at rates calculated to write off the cost or valuation less estimated residual value of assets in equal instalments over their expected useful lives. Assets costing below £1,000 are expensed to the SOFA in the year of acquisition. The rates used are as follows on a straight line basis:-

Freehold property	2%
Furniture, fixtures and fittings	20%
Computer equipment	25%

##### o) Investments

Investments are recognised initially at fair value which is normally the transactional price, in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' subsequently they are reserved at fair value with unrealised gains and losses on the revaluation of listed investments are taken to the Statement of Financial Activities. The basis for determining the fair value is the quoted market price in an active market. Investments in subsidiaries are recognised at cost value.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and market value at the previous financial year end or cost if the investment was acquired subsequently.

##### p) Tax

The Charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. The taxation charge arising in the year relates to the operation of the Trading Subsidiary's.

##### q) Deferred Tax

Deferred tax is generated from the activities of the charities trading subsidiaries. Full provision is made for deferred tax assets and liabilities within the accounts in respect of all timing differences, which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is recognised only if it can be regarded as probable that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

##### r) Provisions

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the Company. The estimate cost of claims includes expenses to be incurred in settling claims and a deduction for the expected value of recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its material claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the outcome will prove to be different from the original liability established.

Provision is also made at the year-end for the estimated unearned premium income at the balance sheet date. The Company takes all reasonable steps to ensure that it has appropriate information regarding its material unearned premium exposure. However, given the uncertainty in establishing unearned premiums provisions, it is likely the outcome will prove to be different from the original liability established.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1. ACCOUNTING POLICIES (continued)

##### s) Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like debtors arising out of direct insurance operations, trade payables, loans to related parties and investments in non-puttable ordinary shares. Financial instruments are measured at fair value using Section 11 and 12 of the FRS 102 framework. The financial assets and financial liabilities of the Company are as follows:

- Debtors – trade and other debtors are financial instruments and are debt instruments measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received as detailed in note 10. Prepayments amounting to £267,630 (2020: £227,147) for the Company are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in note 11. Amounts due to taxation and social security are not included in the financial instrument disclosure.
- Investments – are measured at fair value with the exception of the investment in the subsidiaries which are stated at cost as detailed in note 1.(o).

##### t) Significant judgments and estimates

The group requires management to make significant judgements and estimates in the preparation of the financial statements. The items in the financial statements where these judgements and estimates have been made include as follows:

- Foreign Currency - the translation of foreign currency into the reporting currency.
- Technical provisions - the most significant judgement and estimate in the accounts is the technical provisions and debtors, as it can take up to six months after the year end before establishing the ultimate cost of claims incurred and premiums paid but not yet recognised to the Company and the final outcome could be better or worse than the provisions. The Directors use a calculation based on claims and premium trends from the previous two years to estimate the provisions required at the year end. In 2021 there has also been an inclusion in the claims technical provisions for the Personal Accident claims following this coming in-house in February 2021. Due to this being a new area of business for the company and also due to the larger value differences between claims the provision has utilised 4 years of historical data to generate a weighted average which is then multiplied by the number of open claims at the period end with a further inclusion of an additional value for claims which have been incurred but not received.
- Land & Buildings - the fair value of the freehold property has been based on the value provided by an independent chartered surveyor in 2021. Even though the value was carried out in the prior year the Trustees believe this to continue to be a fair value for the freehold property, there is an estimated uncertainty in this as no official valuation was carried out at the current year end.

##### u) Going Concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern including the impact of COVID-19. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charities ability to continue as a going concern. The charity therefore continues to adopt the going concern basis in preparing these financial statements.

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>2. PREMIUM INCOME</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Total direct insurance premiums	31,612,524	32,634,563
Less direct insurance premium tax	(1,484,850)	(1,456,807)
	<u>                    </u>	<u>                    </u>
Gross direct premiums written	30,127,674	31,177,756
	<u>                    </u>	<u>                    </u>

The Company is engaged in only one class of business, Accident and Health, providing a range of health cash plan schemes. All premium income relates to direct insurance business arising in the United Kingdom and Republic of Ireland. All premiums received are individual periodic premiums with are based on non-participating contracts.

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
United Kingdom	13,054,000	13,545,084
Republic of Ireland	17,073,674	17,632,672
	<u>                    </u>	<u>                    </u>
Gross premiums written	30,127,674	31,177,756
	<u>                    </u>	<u>                    </u>

<b>3. INVESTMENT INCOME</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>Charity</b>	<b>Group</b>	<b>Charity</b>	<b>Group</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Income from other financial investments	418,709	782,086	254,913	611,399
Interest receivable	3,072	37,879	2,543	44,201
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	421,781	819,965	257,456	655,600
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

<b>4. NET INCOME FOR THE YEAR</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
The net income for the year is stated after charging:		
Depreciation	231,351	265,380
Auditors' remuneration:		
Audit of the charity	10,200	6,840
Audit of the subsidiaries	35,040	32,220
Operating leases	101,855	130,455
	<u>                    </u>	<u>                    </u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

5. ANALYSIS OF TOTAL RESOURCES EXPENDED	Direct costs £	Grant funding £	Support costs £	2021 Total £
<b>Raising funds</b>				
Charity	118,108	-	-	118,108
Subsidiaries	22,373,753	-	6,901,364	29,275,117
<b>Charitable activities (Note 8)</b>	-	1,811,349	223,723	2,035,072
<b>Group Total</b>	<u>22,491,861</u>	<u>1,811,349</u>	<u>7,125,087</u>	<u>31,428,297</u>

All grants in the year were funded from the expendable endowment. The charitable activities support costs for 2020 is a negative balance due to the effect of exchange variance gains made in the year which forms part of this.

	Direct costs £	Grant funding £	Support costs £	2020 Total £
<b>Raising funds</b>				
Charity	96,976	-	-	96,976
Subsidiaries	18,262,824	-	7,937,864	26,200,688
<b>Charitable activities (Note 8)</b>	-	1,333,402	(79,137)	1,254,265
<b>Group Total</b>	<u>18,359,800</u>	<u>1,333,402</u>	<u>7,858,727</u>	<u>27,551,929</u>

All grants in the year were funded from the expendable endowment.

**ANALYSIS OF SUPPORT COSTS**

	2021 Total £	2020 Total £
Policy Services	740,896	1,481,779
Staff Costs	3,714,939	3,984,428
Property Costs	176,346	163,878
Sales & Marketing Costs	302,706	219,771
Administration Costs	1,267,413	2,333,198
Governance Costs	204,843	194,534
Exchange Variance	717,944	(518,861)
<b>Total</b>	<u>7,125,087</u>	<u>7,858,727</u>

**ANALYSIS OF GOVERNANCE COSTS**

	2021 Total £	2020 Total £
Internal Audit	-	-
External auditors' remuneration		
- Audit services	45,240	39,060
Governance and professional support	159,603	155,474
<b>Total</b>	<u>204,843</u>	<u>194,534</u>

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 6. STAFF COSTS

##### Charity

The charity employs no staff, all staff are employed by the trading subsidiaries – HSF health plan Limited & HSF health plan (Malta) Ltd.

	2021	2020
	£	£
Wages and salaries	3,020,934	3,163,829
Social security costs	330,455	337,329
Pension costs	363,550	483,270
	<u>3,714,939</u>	<u>3,984,428</u>
The average number of persons employed during the year was:		
Sales	18	22
Administration	52	52
	<u>70</u>	<u>74</u>
The number of employees whose annual emoluments exceeded £60,000 were:-		
£60,001 - £70,000	5	7
£70,001 - £80,000	2	4
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£110,001 - £120,000	-	1
£130,001 - £140,000	1	-
£160,001 - £170,000	1	1
£240,001 - £250,000	-	1
£250,001 - £260,000	1	-
	<u>1</u>	<u>-</u>

Contributions totalling £175,945 (2020: £262,581) were made to group personal pension plans in respect of the 11 (2020: 16) employees above.

None of the trustees were remunerated during the year for their services as trustees of the parent Charitable Company. Expenses totalling £2,057 (2020: £5,295) were reimbursed to five trustees (2020: five) of the parent Charitable Company for travel, accommodation and subsistence.

Key Management personnel for the Hospital Saturday Fund are only the Trustees as the Charity does not employ any staff. Key management personnel within its trading subsidiary HSF health plan Limited are the Non-Executive Directors, Executive Directors and Head of Departments and total salary and benefits provided total £888,957 (2020: £1,049,898).

There were redundancy payments in the year totalling £38,893 (2020: £122,337). This includes statutory redundancy payments, payments in lieu of notice and non-contractual payments of £11,500 made to 1 members of staff (2020: £25,778 made to 5 members of staff). The non-contractual payments were made under the authority of the Directors when considered to be in HSF health plan Ltd best interest to avoid potential significant HR/legal costs.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 6. STAFF COSTS (continued)

Five Trustees received remuneration during the year for performance of their duties as Directors of the trading subsidiary HSF health plan Ltd. In accordance with the Charity Commission advice the two Trustees who are not remunerated, form the Remuneration Committee:

	2021	2020
	£	£
Mrs J L Dalton	7,256	7,256
Mr M Davies	10,878	10,878
Mr J Greenwood	8,300	8,300
Mr J Randel	15,934	15,934
Mr D Thomas	8,600	8,600
Total remuneration	<u>50,968</u>	<u>50,968</u>

Contributions totalling £1,366 (2020: £1,366) were made to personal pension plan in respect of the 1 (2020: 1) Director above.

#### 7. RESULTS OF SUBSIDIARIES

HSF health plan Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF health plan Limited, incorporated in the UK (number 30869), is a health cash plan organisation and donates its surplus annual taxable profits to the Charity under Gift Aid. The results of HSF health plan Limited are detailed below:

	2021	2020
	£	£
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	30,163,821	31,008,019
Claims paid and reinsurance	(21,878,705)	(19,447,476)
Net operating expenses	(6,352,039)	(5,714,744)
Balance on the technical account for general business	<u>1,933,077</u>	<u>5,845,799</u>
Investment income	2,904,482	1,547,577
Other income	16,264	235,222
Profit before taxation	<u>4,853,823</u>	<u>7,628,598</u>
Profit for the year after taxation	<u>4,566,773</u>	<u>7,252,628</u>
<b>BALANCE SHEET</b>		
Fixed assets	25,936,112	24,475,762
Net current assets	23,455	1,021,985
Deferred taxation	(1,855,802)	(1,367,554)
<b>NET ASSETS</b>	<u>24,103,765</u>	<u>24,130,193</u>
<b>FUNDS</b>		
General reserve	<u>24,103,765</u>	<u>24,130,193</u>
	<u>24,103,765</u>	<u>24,130,193</u>

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 7. RESULTS OF SUBSIDIARIES (continued)

HSF Assist Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF Assist Limited, incorporated in the UK (number 8139547), is a helpline organisation and donates its surplus annual taxable profits to the Charity under Gift Aid. The results of HSF Assist Limited are detailed below:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	50,518	31,515
Helplines and counselling	(17,946)	(9,405)
Other admin costs inc gift aid donation	(5,368)	(3,416)
	<u>27,204</u>	<u>18,694</u>
Profit for the year after taxation	<u>27,204</u>	<u>18,694</u>
<b>BALANCE SHEET</b>		
Net current assets	<u>27,204</u>	<u>18,694</u>
<b>NET ASSETS</b>	<u>27,204</u>	<u>18,694</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	1	1
Profit and loss account	<u>27,204</u>	<u>18,694</u>
	<u>27,205</u>	<u>18,695</u>

HSF health plan (Malta) Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF health plan (Malta) Limited, incorporated in Malta (registration number: C 93406), is a health cash plan organisation. The results of HSF health plan (Malta) Limited are detailed below:

	<b>2021</b>
	<b>£</b>
<b>PROFIT AND LOSS ACCOUNT</b>	
Premium income	-
Claims paid and reinsurance	-
Net operating expenses	(291,754)
	<u>(291,754)</u>
Balance on the technical account for general business	<u>(291,754)</u>
Investment income	518,873
Other income	230,957
	<u>458,076</u>
Profit before taxation	<u>458,076</u>
Profit for the year after taxation	<u>294,784</u>
<b>BALANCE SHEET</b>	
Fixed assets	3,350,702
Net current assets	32,497
Deferred taxation	164,342
	<u>3,547,541</u>
<b>NET ASSETS</b>	<u>3,547,541</u>
<b>FUNDS</b>	
General reserve	<u>3,547,541</u>
	<u>3,547,541</u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>8. GRANTS</b>	<b>Grants to Institutions</b>	<b>Grants to Individuals</b>	<b>Support Costs</b>	<b>2021 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
During the year the following grants were made:				
Medical charities	1,442,434	-	178,157	1,620,591
Hospitals and hospices	223,566	-	27,613	251,179
Welfare grants to individuals	-	123,968	15,311	139,279
Covid-19 fund grants	11,382	-	1,406	12,788
Other medical/welfare related organisations	10,000	-	1,235	11,235
	<u>1,687,382</u>	<u>123,968</u>	<u>223,722</u>	<u>2,035,072</u>
	<u><u>1,687,382</u></u>	<u><u>123,968</u></u>	<u><u>223,722</u></u>	<u><u>2,035,072</u></u>
	<b>Grants to Institutions</b>	<b>Grants to Individuals</b>	<b>Support Costs</b>	<b>2020 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
During 2020 the following grants were made:				
Medical charities	847,830	-	(50,318)	797,512
Hospitals and hospices	112,678	-	(6,687)	105,991
Welfare grants to individuals	-	90,780	(5,388)	85,392
Covid-19 fund grants	207,696	-	(12,326)	195,370
Other medical/welfare related organisations	74,418	-	(4,418)	70,000
	<u>1,242,622</u>	<u>90,780</u>	<u>(79,137)</u>	<u>1,254,265</u>
	<u><u>1,242,622</u></u>	<u><u>90,780</u></u>	<u><u>(79,137)</u></u>	<u><u>1,254,265</u></u>

A full list of grants to institutions is available on the Charity website (<https://hospitalsaturdayfund.org/grant-updates/>).

<b>9. TANGIBLE FIXED ASSETS</b>	<b>Charity</b>			<b>Group</b>	
	<b>Computer Equipment</b>	<b>Total</b>	<b>Freehold property</b>	<b>Furniture Fixtures and Fittings</b>	<b>Total</b>
<b>COST OR VALUATION</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2021	12,000	12,000	4,995,000	1,854,285	6,861,285
Additions in year	-	-	-	36,944	36,944
	<u>12,000</u>	<u>12,000</u>	<u>4,995,000</u>	<u>1,891,229</u>	<u>6,898,229</u>
At 31 December 2021	12,000	12,000	4,995,000	1,891,229	6,898,229
	<u>12,000</u>	<u>12,000</u>	<u>4,995,000</u>	<u>1,891,229</u>	<u>6,898,229</u>
<b>DEPRECIATION</b>					
At 1 January 2021	12,000	12,000	-	1,632,547	1,644,547
Charge for year	-	-	99,900	131,451	231,351
	<u>12,000</u>	<u>12,000</u>	<u>99,900</u>	<u>1,763,998</u>	<u>1,875,898</u>
At 31 December 2021	12,000	12,000	99,900	1,763,998	1,875,898
	<u>12,000</u>	<u>12,000</u>	<u>99,900</u>	<u>1,763,998</u>	<u>1,875,898</u>
<b>NET BOOK VALUE</b>					
At 31 December 2021	-	-	4,895,100	127,231	5,022,331
	<u>-</u>	<u>-</u>	<u>4,895,100</u>	<u>127,231</u>	<u>5,022,331</u>
At 31 December 2020	-	-	4,995,000	221,738	5,216,738
	<u>-</u>	<u>-</u>	<u>4,995,000</u>	<u>221,738</u>	<u>5,216,738</u>

The Company owns a freehold property at 24 Upper Ground, London SE1 9PD which is used for the Company's own activities. The property was valued on 18 February 2021, the fair value of the property was £4,995,000 on an open market basis by an independent valuer, Egerton chartered surveyors. At the date of the revaluation, the directors believed the property had a useful economic life of at least 50 years. The directors have reassessed the valuation at 31 December 2021 which has confirmed no material change or impairment. The historical cost as of the 31 December 2021 was £822,500 (2020: £822,500).

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

10. INVESTMENTS	2021		2020	
	Group £	Charity £	Group £	Charity £
Market value at 1 January	30,557,478	27,164,030	28,452,991	27,173,813
Additions	8,864,918	7,602,044	8,349,813	4,728,737
Disposals	(7,248,412)	(4,733,977)	(7,525,952)	(4,709,739)
Unrealised gains	4,570,850	1,346,870	1,280,626	(28,781)
Market value at 31 December	36,744,834	31,378,967	30,557,478	27,164,030
Historical cost at 31 December	33,215,313	29,752,822	27,947,778	26,653,156
<b>At market value</b>				
United Kingdom investments (listed)	8,635,098	5,732,580	7,390,199	5,109,112
Overseas investments (listed)	18,439,977	4,592,785	14,998,957	4,082,520
Bonds (listed)	5,604,208	1,271,863	5,160,518	1,401,350
Other (listed)	3,528,769	755,892	2,445,547	705,472
Cash Fund (unlisted)	536,782	-	562,257	-
<b>At cost value</b>				
Investment in HSF health plan Limited (unlisted)	-	15,865,576	-	15,865,576
Investment in HSF health plan (Malta) Ltd (unlisted)	-	3,160,271	-	-
	36,744,834	31,378,967	30,557,478	27,164,030

The investment in HSF health plan Limited represents the reserves of HSF health plan Limited at the point at which the ownership was donated to The Hospital Saturday Fund. The consolidated statement of financial activities includes unrealised gains of £4,570,850 and realised gains of £153,136

11. DEBTORS	2021		2020	
	Group £	Charity £	Group £	Charity £
Insurance operation debtors	1,478,686	-	1,574,595	-
Other debtors	673,523	331	609,164	1,407
Balance owed from subsidiaries	-	1,077	-	-
Prepayments and accrued income	267,630	715	227,147	-
	2,419,839	2,122	2,410,906	1,407

12. CREDITORS: amounts falling due within one year	Note	2021		2020	
		Group £	Charity £	Group £	Charity £
Insurance operations provisions	13	4,264,593	-	3,564,733	-
Trading operations creditors and accruals		19,065	-	-	-
Other creditors and accruals		576,971	9,764	839,443	19,724
Taxes and social security		17,766	-	82,886	-
		4,878,395	9,764	4,487,062	19,724

13. MOVEMENTS IN INSURANCE OPERATION PROVISIONS	2021		2020	
	£		£	
Claims Provision				
Claims provision brought forward (including IBNR)			2,548,346	2,505,701
Payments during the year in respect of those provisions			(2,499,627)	(2,578,508)
Adjustment to prior year's provision			(48,719)	72,807
Movement in provision during the year			3,284,353	2,548,346
Net loss provision carried forward in respect of outstanding claims			3,284,353	2,548,346

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. MOVEMENTS IN INSURANCE OPERATIONS PROVISIONS (continued)**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Unearned Premium Provision		
Unearned premium provision brought forward	1,016,387	846,650
Premiums during the year in respect of those provisions	(1,016,387)	(846,650)
Movement in provision during the year	980,240	1,016,387
	<u>980,240</u>	<u>1,016,387</u>
Net loss provision carried forward in respect of unearned premiums	980,240	1,016,387
	<u>980,240</u>	<u>1,016,387</u>
Net loss provision carried forward in respect of insurance operations	4,264,593	3,564,733
	<u>4,264,593</u>	<u>3,564,733</u>

The provisions detailed above would be expected to be materially realised within six months of the year end due to the nature of our business and the terms and conditions of our policies.

**14. DEFERRED TAXATION**

	<b>Liability on Property revaluation</b>	<b>Short term Timing difference</b>	<b>Fixed asset - timing differences</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2021	(637,125)	(751,822)	21,393	(1,367,554)
Profit and loss account	-	(466,260)	15,917	(450,343)
Other comprehensive income	(201,197)	(1,050)	-	(202,247)
	<u>(838,322)</u>	<u>(1,219,132)</u>	<u>37,310</u>	<u>(2,020,144)</u>
At 31 December 2021	(838,322)	(1,219,132)	37,310	(2,020,144)
	<u>(838,322)</u>	<u>(1,219,132)</u>	<u>37,310</u>	<u>(2,020,144)</u>
	<b>Liability on property revaluation</b>	<b>Short term timing different</b>	<b>Fixed asset - timing differences</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2020	(145,910)	(361,990)	7,531	(500,369)
Profit and loss account	-	(389,832)	13,862	(375,970)
Other comprehensive income	(491,215)	-	-	(491,215)
	<u>(637,125)</u>	<u>(751,822)</u>	<u>21,393</u>	<u>(1,367,554)</u>
At 31 December 2020	(637,125)	(751,822)	21,393	(1,367,554)
	<u>(637,125)</u>	<u>(751,822)</u>	<u>21,393</u>	<u>(1,367,554)</u>

Over the next 12 months it is expected that £1,054,790 of deferred tax liabilities in respect of short-term timing difference will reverse when the relevant gift aid donations are made to the parent charity. Reversal of deferred tax liabilities in respect of property revaluation is uncertain due to its dependency on prevailing market conditions.

The tax charge in the Income Statement is made up as follows.

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Corporation tax (see below)	450,342	375,970
Movement on deferred tax provision on property revaluation	201,198	491,215
	<u>651,540</u>	<u>867,185</u>

The tax assessed for the year differs from the standard corporation tax rate in the UK of 19.00% (2020: 19.00%).

The differences are explained below:

UK Profit on ordinary activities before tax	4,853,824	7,628,598
Corporation tax at the standard rate of 19.00% thereon (2020: 19.00%)	922,227	1,449,434
Effects of:		
Amounts not deductible for tax purposes	1,892	4,225
Fixed asset differences	16,875	9,500
Dividend and distribution income	(63,657)	(67,732)
Chargeable gains	-	474,050
Deferred tax (charged) directly to equity	(201,198)	(491,215)
Remeasurement of deferred tax for changes in tax rates	445,392	58,866
Adjustment for profits gift aided to parent, charged to reserves	(834,481)	(1,061,158)
	<u>287,050</u>	<u>375,970</u>
UK Corporation tax on profit on ordinary activities	287,050	375,970

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**14. DEFERRED TAXATION (continued)**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
The tax assessed for the year differs from the standard corporation tax rate in the Malta of 35.00% (2020: 35.00%). The differences are explained below:		
UK Profit on ordinary activities before tax	458,076	-
Malta Corporation tax at the standard rate of 35.00% thereon (2020: 35.00%)	160,327	-
Effects of:		
Amounts not deductible for tax purposes	7,243	-
Dividend and distribution income	1,597	-
Unrealised gains on bonds	(4,825)	-
Tax refundable	(1,050)	-
	<u>163,292</u>	<u>-</u>
Malta Corporation tax on profit on ordinary activities	<u>163,292</u>	<u>-</u>
UK Corporation tax on profit on ordinary activities	287,050	375,970
Malta Corporation tax on profit on ordinary activities	163,292	-
	<u>450,342</u>	<u>375,970</u>

**15. GOVERNMENT GRANTS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Coronavirus Job Retention Scheme	16,264	235,222
	<u>16,264</u>	<u>235,222</u>

There are no unfulfilled conditions or other contingencies attaching to the grants received from government sources.

**16. MOVEMENT ON FUNDS**

	<b>At 1</b>	<b>Movement in funds</b>		<b>Gains on</b>		<b>Balance at</b>
	<b>January</b>	<b>Incoming</b>	<b>Resources</b>	<b>Investments/</b>		<b>31 December</b>
<b>Unrestricted funds</b>	<b>2021</b>	<b>resources</b>	<b>expended</b>	<b>Property</b>	<b>Transfers</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General funds	1,148,418	422,059	(2,035,523)	-	1,811,350	1,346,304
Trading funds	24,151,135	30,628,787	(29,275,117)	3,211,525	(1,250,426)	27,465,904
	<u>25,299,553</u>	<u>31,050,846</u>	<u>(31,310,640)</u>	<u>3,211,525</u>	<u>560,924</u>	<u>28,812,208</u>
<b>Expendable Endowment</b>	<u>18,053,750</u>	<u>-</u>	<u>(117,658)</u>	<u>1,512,462</u>	<u>(560,924)</u>	<u>18,887,630</u>
<b>Total funds</b>	<u>43,353,303</u>	<u>31,050,846</u>	<u>(31,428,298)</u>	<u>4,723,987</u>	<u>-</u>	<u>47,699,838</u>

	<b>At 1</b>	<b>Movement in funds</b>		<b>Gains on</b>		<b>Balance at</b>
	<b>January</b>	<b>Incoming</b>	<b>Resources</b>	<b>Investments/</b>		<b>31 December</b>
<b>Unrestricted funds</b>	<b>2020</b>	<b>resources</b>	<b>expended</b>	<b>Property</b>	<b>Transfers</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General funds	816,988	260,313	(1,262,285)	-	1,333,402	1,148,418
Trading funds	20,319,669	31,671,640	(26,200,688)	3,955,316	(5,994,802)	24,151,135
	<u>21,136,657</u>	<u>31,931,953</u>	<u>(27,462,973)</u>	<u>3,955,316</u>	<u>(4,261,400)</u>	<u>25,299,553</u>
<b>Expendable Endowment</b>	<u>13,860,266</u>	<u>-</u>	<u>(88,956)</u>	<u>21,040</u>	<u>4,261,400</u>	<u>18,053,750</u>
<b>Total funds</b>	<u>34,996,923</u>	<u>31,931,953</u>	<u>(27,551,929)</u>	<u>3,976,356</u>	<u>-</u>	<u>43,353,303</u>

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 16. MOVEMENT ON FUNDS (continued)

##### Expendable endowment fund

The principal purpose of the expendable endowment fund is to provide a capital base from which income is earned to finance the grant making activities. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances however these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees. Transfer of funds represents the gift aid donation from trading subsidiaries to The Hospital Saturday Fund and the drawdown of expendable endowment to fund grants awarded in the year. The Reserves Policy is to maintain the Expendable Endowment at a level no less than £5m and no greater than £22m. The Trustees are aware a large gift aid donation was received in 2020 and are expecting a large gift aid donation from 2021 which is due to the exceptional circumstances that have resulted from the Covid-19 pandemic. However, given we are forecasting that the long lasting effect of the pandemic will likely result in quite low gift-aid donations over the next three years, also as the largest of the three trading subsidiaries has committed to upgrading its Policyholder Database to improve the level of service provided to its customers, the Trustees are not expecting a large increase in the grant making as a result of the 2021 gift aid. Therefore, this will be used to fund the next three years' grant making.

##### Trading fund

The principal purpose of the trading fund is to generate and provide income to the charity through its trading subsidiaries activities. The fund represents the current balance sheet value of HSF health plan Limited and The Hospital Saturday Fund.

#### 17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2021 are represented by	Total Funds £	Unrestricted funds		Expendable Endowment £
		General Fund £	Trading Fund £	
Tangible fixed assets	5,022,331	-	5,022,331	-
Investments	36,744,834	-	24,391,714	12,353,120
Cash at bank and in hand	10,411,373	1,353,908	2,522,955	6,534,510
Net assets	(2,458,556)	(7,602)	(2,450,954)	-
Deferred tax	(2,020,144)	-	(2,020,144)	-
<b>Total Net Assets</b>	<b>47,669,838</b>	<b>1,346,306</b>	<b>27,465,904</b>	<b>18,887,630</b>

Fund balances at 31 December 2020 are represented by	Total Funds £	Unrestricted funds		Expendable Endowment £
		General Fund £	Trading Fund £	
Tangible fixed assets	5,216,738	-	5,216,738	-
Investments	30,557,478	-	19,259,024	11,298,454
Cash at bank and in hand	11,022,798	1,166,735	3,100,767	6,755,296
Net assets	(2,076,157)	(18,317)	(2,057,840)	-
Deferred tax	(1,367,554)	-	(1,367,554)	-
<b>Total Net Assets</b>	<b>43,353,303</b>	<b>1,148,418</b>	<b>24,151,135</b>	<b>18,053,750</b>

The Trading and Total Funds includes non-distributable reserves of £4,219,157 (2020: £4,020,027) due to inclusion of the revaluation reserve inclusion.

#### 18. PENSION COSTS

The trading subsidiary, as the employer in the group, makes contributions to group personal pension plans. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable for the year by the trading subsidiary to the personal pension plans and amounted to £429,926 (2020: £483,270).

At the balance sheet date, there were outstanding contributions of £Nil (2020: £63,069)

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 19. OPERATING LEASE COMMITMENTS

At 31 December 2021, the Group had annual commitments under operating leases which expire as follows:

	2021		2020	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	24,844	63,641	4,141	81,206
In the second to fifth years inclusive	53,828	16,970	-	61,413
	<u>78,672</u>	<u>80,611</u>	<u>4,141</u>	<u>142,619</u>

#### 20. CONTINGENT LIABILITIES

No provision has been made for any levy which the trading subsidiary, HSF health plan Ltd may be called upon to pay under the provisions of the Policyholders Protection Act 1975. The maximum amount of any such levy in respect of the current financial year would be £311,277 (2020: £311,778).

#### 21. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS

This section has been broken down in to the key natures of risk arising, these are Market, Underwriting, Counterparty Default, Operational and Insurance.

##### Market Risk

##### Key Risks

The key drivers of the charge are asset class spread and equity risks. HSF health plan's asset portfolio contains a relatively conservative mix of bonds and equities.

##### Controls

To minimise risk and secure long term growth and inflation protection a diversified spread of assets in the form of property, equities, fixed interest securities, pooled funds and bank deposits are held currently using two fund managers, three banks, the High Court of Ireland and HSF itself. No derivatives, options, or stock loans are underwritten or directly held, although some pooled/hedge funds will have some exposure.

##### Risk Appetite

HSF health plan's appetite for market risk is relatively medium to low. The tolerance limits for Market Risk are detailed in HSF health plan's Risk Appetite document. As at the date of this report, there are no known breaches of market risk tolerances and the business is expected to remain within appetite over the life of the business plan.

##### Underwriting Risk

##### Key Risks

- Unexpected increase in claims frequency or deterioration in reserves
- Inadequate identification of current and emerging underwriting risks
- Sustained soft market resulting in falling premium rates resulting in inadequate volume of business to support operations

##### Controls

The short-tailed nature of its liabilities offer a predictable and stable book of reserves which render a risk profile commensurate with its risk appetite. The main driver of HSF health plan's Underwriting risk is the exposure to catastrophe risk. HSF health plan has robust underwriting controls to mitigate its exposure under catastrophe risk and align it to its risk appetite and strategic business plan. Re-Insurance was used to remove all risks associated with the personal accident as a third party underwrites this while this was insured by a third party. This remained in place until the 31 January 2021, after this date the underwriting of the personal accident was brought inhouse to the company.

##### Risk Appetite

As at the date of this report, there are no known breaches of underwriting risk tolerances and the business is expected to remain within appetite over the life of the business plan.

##### Counterparty Default Risk

##### Risk Capital

HSF health plan's Counterparty Default Risk (CDR) draws a capital charge of just under £0.5m, which equates to approximately 25% of its undiversified capital charge.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 21. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS (continued)

##### Key Risks

The main driver of the CDR is HSF health plan's cash at HSBC and Ulster Bank, which is unrated.

##### Controls

- Monthly reviews of broker balances
- Semi-annual asset allocation review

##### Risk Appetite

HSF health plan's tolerance thresholds for CDR is documented in greater detail in its Risk Appetite document. As at the date of this report, there are no known breaches of CDR risk tolerances and the business is expected to remain within appetite over the life of the business plan.

##### Operational Risk

HSF health plan's policy is to maintain an acceptable balance between the risk of operational failures, and the need to operate efficiently and prudently to ensure that contributions represent good value for money to policyholders. Appropriate precautions are taken to manage/control risk here, and compliance/internal/business audits will be undertaken from time to time on material activities and areas of potential concern. This is deemed to be adequate given the nature, scale and complexity of HSF health plan's business.

##### Sensitivity

##### Assumptions and sensitivities

The risks associated with the non-life insurance contracts are complex and subject to a number of variables, which complicate quantitative sensitivity analysis. The Company uses several statistical and actuarial techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The key methods used by the Company for estimating liabilities are expected loss ratio and benchmarking.

HSF health plan's management has considered a number of stress and scenario tests designed to provide a reasonableness check of the core-modelled results and more generally, the Risk Management Framework.

A key test was performed to determine whether losses resulting from any of the extreme events scenarios (assumed to be equal to or greater than 1 in 200 year events) would require capital holding in excess of the Solvency II Standard Formula model output; and hence whether HSF health plan would need to either increase its capital buffer or alter its modelling methodology and assumptions.

These tests are intended to be pragmatic illustrations of the major impact of an extreme adverse event or events rather than an attempt to model every possible consequence.

	Profit/Loss before tax		Accumulated Fund	
	2021	2020	2021	2020
	£	£	£	£
Before sensitivities	4,853,823	7,628,598	24,103,765	24,130,193
Reduction in business volumes by 15%	334,672	2,951,935	19,584,614	19,453,530
Reduction in investment market values by 25%	(1,630,205)	1,565,092	17,619,737	18,066,688

The conclusion from these tests was that HSF health plan currently holds adequate capital to absorb the shock from various extreme natural catastrophic events, which it is exposed to on a net basis from writing health insurance. In all the scenarios tested (which can be deemed to be extreme and fall under stress tests), HSF health plan remains solvent and fulfils obligations to its policyholders. However, if such events did occur HSF health plan may need to raise further capital, introduce reinsurance, or reduce operations.

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**21. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS (continued)**

**Insurance Risk**

HSF's policy is to offer no insurance policy or renewal options beyond a month or two, and to manage the benefit/contributions levels to achieve over the long term a small surplus of contributions over claims and business costs. The Company has a risk associated with the claims technical provision which is calculated based on the requirement for claims to be submitted within 6 months of the date of treatment, by using two previous year's figures analysis to produce a trend and utilise this trend to calculate the current year's provisions. In 2021 there has also been an inclusion in the claims technical provisions for the Personal Accident claims following this coming in-house in February 2021. Due to this being a new area of business for the company and also due to the larger value differences between claims the provision has utilised 4 years of historical data to generate a weighted average which is then multiplied by the number of open claims at the period end with a further inclusion of an additional value for claims which have been incurred but not received.

**Concentration**

The Company writes non-life insurance on a monthly renewable base. The Company's primary insurance risk exposure is pandemic risk from widespread diseases. The concentration of non-life insurance by type of contract is summarised below by reference to liabilities:

	<b>Gross claims</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Direct Insurance</b>	21,414,784	18,220,179
	<u>21,414,784</u>	<u>18,220,179</u>

**22. FINANCIAL RISK MANAGEMENT**

**Liquidity Risk – HSF health plan Limited only**

The objective of the Company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows.

The following table shows details of the expected maturity profile of the Company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance and participating investment contract liabilities. Unearned premiums are excluded from this analysis. This table includes both interest and principal cash flows.

<b>2021</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3 months to 1 year</b>	<b>1-5 years</b>	<b>5+ years</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other liabilities	-	-	608,649	-	-	608,649
Outstanding claims	1,240,455	1,352,162	691,736	-	-	3,284,353
	<u>1,240,455</u>	<u>1,352,162</u>	<u>1,300,385</u>	<u>-</u>	<u>-</u>	<u>3,893,002</u>
	<u><u>1,240,455</u></u>	<u><u>1,352,162</u></u>	<u><u>1,300,385</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,893,002</u></u>
<b>2020</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3 months to 1 year</b>	<b>1-5 years</b>	<b>5+ years</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other liabilities	-	-	880,475	-	-	880,475
Outstanding claims	1,318,552	883,510	346,284	-	-	2,548,346
	<u>1,318,552</u>	<u>883,510</u>	<u>1,226,759</u>	<u>-</u>	<u>-</u>	<u>3,428,821</u>
	<u><u>1,318,552</u></u>	<u><u>883,510</u></u>	<u><u>1,226,759</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,428,821</u></u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**22. FINANCIAL RISK MANAGEMENT (continued)**

**Credit Risk – HSF health plan Limited only**

The objective of the Company is managing its credit risk exposure is to ensure risk is managed in line with the Company’s risk appetite. The Company has established policies and procedures in order to manage credit risk and methods to measure it. The Company’s maximum exposure to credit risk for insurance receivables would be 15% of net premiums earned, £4,500,942 (2020: £4,417,423).

The following table shows the carrying value of assets that are neither past due or impaired and the ageing of assets that are past due but not impaired. No assets have been impaired.

<b>Credit Risk as at 31 December 2021</b>	<b>Neither past due nor impaired</b>	<b>Past due less than 30 Days</b>	<b>Past due 31 to 60 days</b>	<b>Past due 61 to 90 days</b>	<b>Past due more than 90 days</b>	<b>Total</b>
	£	£	£	£	£	£
Insurance receivables	-	1,155,723	322,963	-	-	1,478,686
	-	1,155,723	322,963	-	-	1,478,686

<b>Credit Risk as at 31 December 2020</b>	<b>Neither past due nor impaired</b>	<b>Past due less than 30 Days</b>	<b>Past due 31 to 60 days</b>	<b>Past due 61 to 90 days</b>	<b>Past due more than 90 days</b>	<b>Total</b>
	£	£	£	£	£	£
Insurance receivables	-	1,310,418	264,177	-	-	1,574,595
	-	1,310,418	264,177	-	-	1,574,595

**Market Risk – HSF health plan Limited only**

The Company is exposed to price risk arising from fluctuations in the value of financial instruments because of changes in market prices and the risks inherent in all investments. The Company has no significant concentration of price risk. The Company maintaining an appropriate mix of investment instruments to manage the risk.

The Company’s sensitivity to a 0.5% increase and decrease in market prices is as follows:

	<b>2021</b>	<b>2020</b>
	£	£
0.5% increase		
Movement in bonds	18,721	18,796
Movement in equities	73,730	65,988
0.5% decrease		
Movement in bonds	(18,721)	(18,796)
Movement in equities	(73,730)	(65,988)

The Company’s method for sensitivity to interest rate fluctuations has not changed significantly over the year.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 22. FINANCIAL RISK MANAGEMENT (continued)

##### Fair Value

##### i. Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in FRS 102 para 34.22, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair value measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair value measured using valuation techniques in which any significant input is not based on observable market data

	Level 1 £	Level 2 £	Level 3 £	The Company Total £
Financial instruments	39,504,119	-	-	39,504,119

The carrying amounts of the financial instruments carried at cost or amortised cost approximate to their fair value mainly because of the short maturity of those instruments.

#### 23. CAPITAL MANAGEMENT

The objective of the Company in managing its capital requirements is to ensure that it will be able to continue as a going concern and comply with the regulators' capital requirements of the markets in which the Company operates, while maximising the return to HSF health plan Ltd through the optimising of the capital. The capital structure of the Company consists of reserves.

The Company was in compliance with capital requirements imposed by the regulators throughout the financial year.

The capital requirement of the Company is determined by its exposure to risk and the solvency criteria established by management and statutory regulations. The table below sets out the statutory minimum capital requirement and the Company's available capital.

	2021 £	2020 £
Statutory minimum capital requirement	3,137,677	2,626,250
Total available capital resources	24,592,013	24,130,193
Solvency Cover %	784%	919%

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 24. RELATED PARTY TRANSACTIONS

No trustee or other person related to the charity had any personal interest in any contract or transaction entered by the charity during the year (2020: £Nil).

The charity received Gift Aid donations during the year from its trading subsidiaries totalling £4,392,316 (2020: £5,594,802).

There is a debtor's balance of £55,071 (2020: £Nil) owed from the company's sister company HSF health plan (Malta) Ltd in relation to services provided during the year.

Also there is a creditor's balance of £4,976 (2020: £Nil) owed to the parent charity the Hospital Saturday Fund in relation to fees paid on behalf of the company.

#### 25. GOVERNMENT GRANTS

The company received government grants totalling £16,264 in the year (2020: £235,222) from the Coronavirus Job Retention Scheme. There are no unfulfilled conditions or other contingencies attaching to the grants received from government sources.

#### 26. POST BALANCE SHEET EVENTS

In February 2022 the charity begun the switch of investment managers from UBS to Abrdn Capital Limited. The transfer was an in-species transfer which was approved by the Board of Trustees in late 2021 following a rigorous tender process with majority of the funds being transferred over in February 2022 with the remaining items due to be transferred over in the month of March 2022.

**THE HOSPITAL SATURDAY FUND**

England & Wales - Charity number 1123381

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# Accounts

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**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT AND GROUP FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2020**



*Paul Jackson, HSF Group Chief Executive, presenting a grant cheque for €13,500 to Connemara Therapeutic Riding, County Galway, in January 2020*

Registered Company Number: 6039284  
Registered Charity Number: 1123381

**THE HOSPITAL SATURDAY FUND**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

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**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES**

**YEAR ENDED 31 DECEMBER 2020**

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**OFFICERS AND ADVISERS**

<i>Chairman</i>	Mr. J Greenwood
<i>Vice Chairman</i>	Mr. D Thomas
<i>Other Trustees</i>	Mrs J L Dalton LLB (Hons) Mr M Davies Professor P W Palmer BA(Hons) PhD FCIS FIIA DChA FRSH Mr J Randel Mrs M Rogers
<i>Chief Executive</i>	Mr P W Jackson MSc BA (Hons) DChA
<i>Company Secretary</i>	Mrs Pauline Jones CertPFS
<i>Patron</i>	Ms. L Garrett CBE FRAM
<i>Principal Bankers</i>	HSBC Bank Plc, London Commercial Banking Centre, Level 6, 71 Queen Victoria Street, London, WC2R 1DJ
<i>Solicitors</i>	Armstrong Teasdale 200 Strand, London, EC2M 2AN
<i>Auditors</i>	MHA MacIntyre Hudson 6 <sup>th</sup> Floor, 2 London Wall Place London EC2Y 5AU
<i>Investment Managers</i>	UBS AG 5 Broadgate London EC2M 2AN
<i>Registered Office</i>	24 Upper Ground LONDON SE1 9PD  Telephone: 020 7202 1365 Fax: 020 7928 0446 Email: <a href="mailto:charity@hsf.eu.com">charity@hsf.eu.com</a>

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES**

**YEAR ENDED 31 DECEMBER 2020**

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The Board of Trustees is pleased to present the 14<sup>th</sup> Annual Report comprised of the Report of the Board of Trustees and Strategic Report and the audited financial statements for the year ended 31 December 2020.

**STRATEGIC REPORT**

**Summary**

The Hospital Saturday Fund has been helping people in times of illness or medical need since 1873. In those days there was no NHS and very little government aid for those who needed it most. This led the Victorian social reformer, the Twelfth Earl of Meath, and others to establish The Hospital Saturday Fund to give working people an opportunity to contribute to the costs of running their local hospitals, so named because Saturday was the traditional pay-day when people were more likely have a few pennies to spare. Over the years leading to the formation of the NHS in 1948, HSF gradually became a health cash plan but maintained its charitable support for hospitals and medical charities.

The Hospital Saturday Fund is now a grant-making charity which donates to medically associated charities for care and research, and to some individuals with health problems throughout the UK and Ireland. The Hospital Saturday Fund is also the parent of two trading subsidiaries The HSF health plan Ltd & HSF Assist Ltd which generate the income from their trading activity to fund the grant-making. HSF health plan Ltd is a company limited by guarantee which provides a range of health cash plan schemes throughout the United Kingdom and the Republic of Ireland. HSF Assist Ltd provides an employee support telephone service to corporate clients.

**Services Agreement**

A Services Agreement between the Charitable Company and HSF health plan Limited has been entered into so that staff and resources will be provided to the Charitable Company by the Trading Company.

**OBJECTIVES AND ACTIVITIES**

**Charitable Objects**

The Charitable Company's principal objects as set out in its Memorandum of Association are:

“the relief of sickness and suffering and giving of help to those who are aged, infirm unemployed or in need and who require Medical Relief as hereinafter defined or who are pregnant and for the promotion of medical research for the benefit of the public in the United Kingdom of Great Britain and Northern Ireland, Eire, the Channel Islands, the Isle of Man and Malta.”

**Impact**

The Trustees of the Charitable Company are aware of their duties under the Charities Act in regard to public benefit. Each Trustee is aware of the general public benefit guidance from the Charity Commission. They aim to discharge that trust by making grants to a great number of medical charities which benefit a wide section of the general public in both the United Kingdom and Ireland. The Board has set in place monitoring and evaluation procedures to review the impact of the work to ensure the aims of the Charitable Company are being met. The trading activities of the subsidiary companies enable The Hospital Saturday Fund to continue its charitable activities.

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR**

The Grant Making Committee continued to operate with the knowledge that however ‘deserving’ some charities and individuals appeared in their applications, there was not enough money to respond to each one and careful, fair and responsible decisions had to be made. This care was demonstrated in the time taken to examine applications on behalf of individuals and the submissions from charities and by responding as fairly as possible.

**Grants made in the year**

During 2020, HSF processed 197 applications on behalf of individuals and, after careful assessment by the Grant Making Committee, 153 were awarded a grant making a total of £90,780 (2019: £105,752) for the year. A further total of £1,242,622 (2019: £1,444,927) was awarded to 414 medical charities, hospices and hospitals including the special medical school grant. The following pages show a chart and table analysing the grants made in the year by type and by geographical spread. Following these charts are examples of the feedback received from recipients which emphasise the public benefit achieved by the grants.

**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

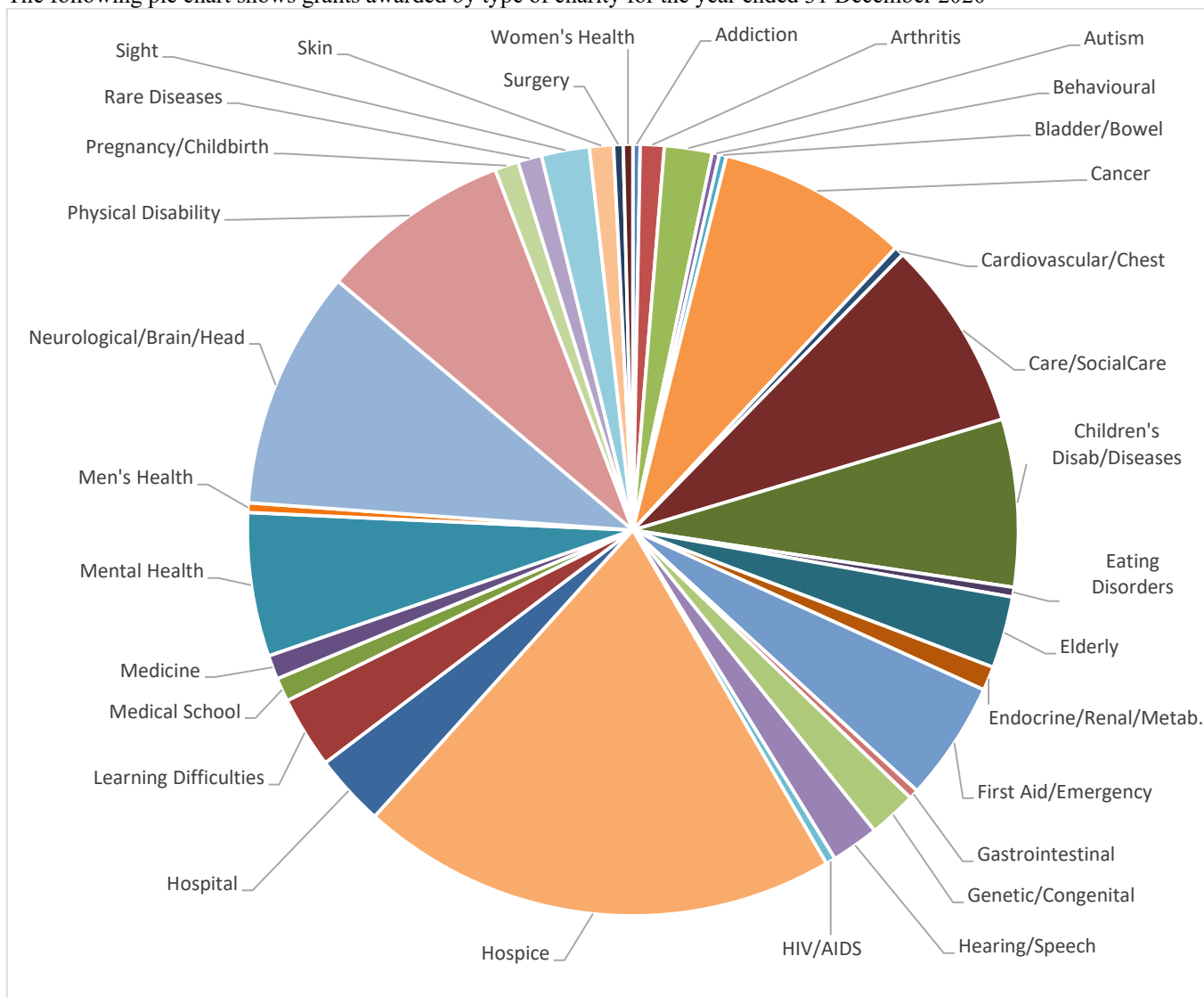
**YEAR ENDED 31 DECEMBER 2020**

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

**Annual Receptions**

The Board endeavours to hold a Reception each year in order to present grants in person to representatives of medical charities, hospices and hospitals. The Trustees held a Reception on 20 February at the Mansion House in Dublin was hosted by Tom Brabazon, the Lord Mayor of Dublin, Vice-President of The Hospital Saturday Fund. A total of £104,000 was donated that evening to 26 different organisations.

The following pie chart shows grants awarded by type of charity for the year ended 31 December 2020



The vast majority of grants awarded were for £2,000 (or €3,000), with 49 lesser donations being made. During 2020, 64 higher grants ranging between £2,000 and £10,000 (or €3,000 and €13,500) were awarded to charities where a specific need was deemed by the Committee to warrant a larger award.

The Committee endeavours to ensure that not only is there a wide geographical spread within the grant making but, within the charities supported, there are many different types of illness, disability, care, research and age groups represented.

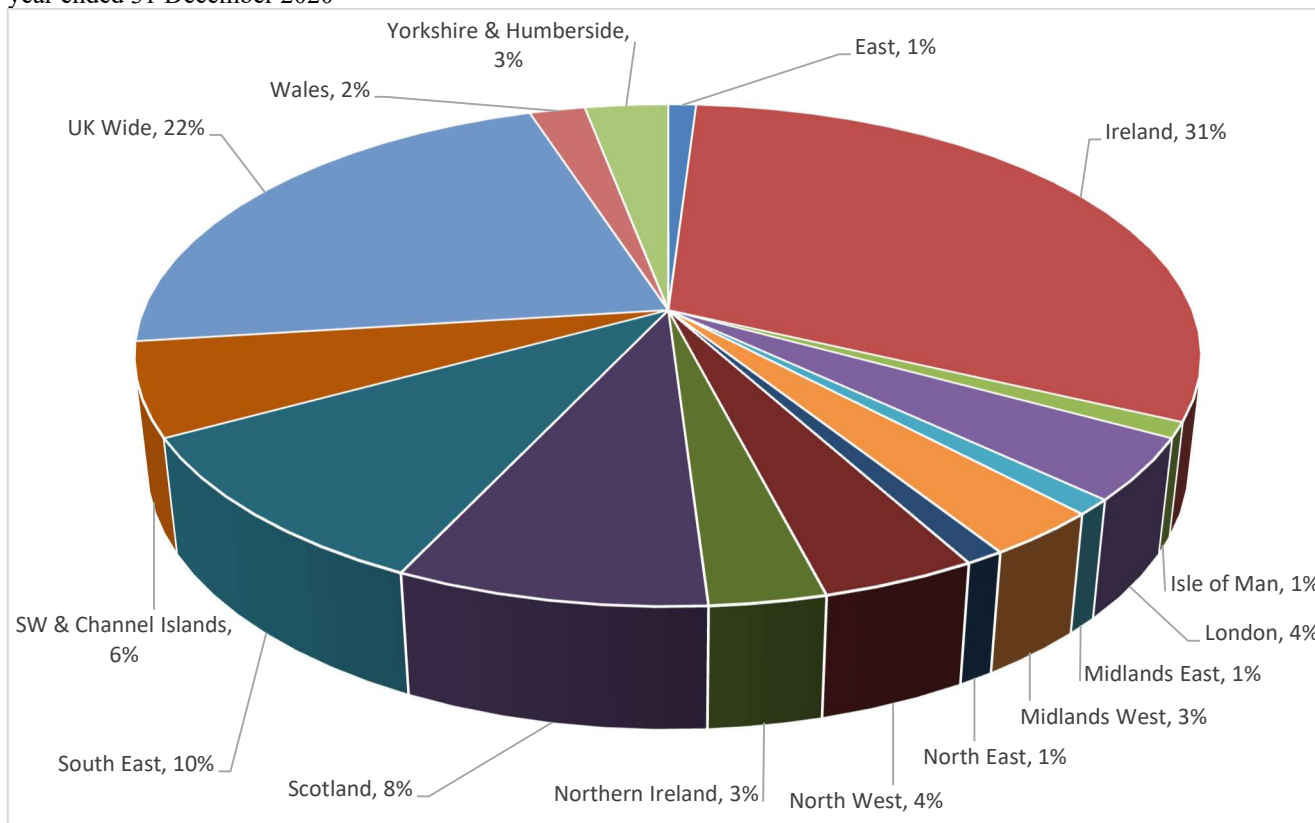
**THE HOSPITAL SATURDAY FUND**  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2020**

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

Grants are made to both local and national institutions. The following pie chart shows grants awarded by region for the year ended 31 December 2020



Organisations receiving grants ranged from Katie Piper Foundation, Down Syndrome Scotland, Brain Tumour Charity, British Red Cross, Orthopaedic Research, Blood Bikes Leinster, Moorfields Eye Charity, East Anglian Air Ambulance, Cancer Fund for Children, Alzheimer Society of Ireland, Irish Therapy Dogs, Anthony Nolan Trust, Parkinson's Association of Ireland, Young Epilepsy, Cerebral Palsy Scotland, Ty Hafan Children's Hospice, Cork Association for Autism, Leonard Cheshire Isle of Man, St Mark's Hospital Foundation, Cure Leukaemia.

Grants to hospitals were for specific projects, equipment or designated charitable funds.

**Covid-19**

The Trustees with the support of the Charity's senior management team had decided to change Grant-making activities during the period from April to June 2020 in order to meet challenges of Covid-19. During the spring and early summer, a skeleton staff (working from home) managed to administer 102 grants to charities across the UK and Ireland for such things as PPE and medical helplines. The charities we supported included Richard House Children's Hospice London, the Martha Trust, the Princess Alice Hospice, Angel Eyes Northern Ireland, Laura Lynn Children's Hospice Dublin and Heart Children Ireland. The Trustees are rightly proud that the Hospital Saturday Fund was able to help people during a time when they needed us most.

**Fund Raising**

The Group does not fundraise externally or use any professional fundraiser or any commercial participator in raising its funds.

**Evaluation process**

In meeting the Charities Act requirement to demonstrate public benefit through the grant making process, Trustees consider not only the recipient charities and their applications but also the impact the past awards have had. As such, the Trustees ensure that feedback from recipients is obtained where possible and reviewed for evidence of the grant being used for its correct purpose.

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2020**

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**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

Condensed versions of updates received from grantees are available on our website: <https://www.hospitalsaturdayfund.org/news-archive>. Amongst others, updates on the website relating to work supported by the Hospital Saturday Fund in 2020 refer to:

- A grant for their medical elective programme (University College Dublin)
- To help fund research into genetic factors influencing sepsis survival (Sepsis Research)
- To provide a mental health support programme (Irish Men's Sheds)
- Towards increasing support programmes for sufferers (British Tinnitus Association)
- A grant towards providing experiences for disabled children (Douglas Bader Foundation)
- To fund life saving drugs and medical gases (Exmoor Search and Rescue)
- To help fund research into colonoscopy efficiency (St Mark's Hospital Foundation)
- A grant for a new bed (Greenwich & Bexley Hospice)
- Funding toward Covid 19 support for children with brain conditions (Cerebra)
- A grant towards a hospital patient support service (Jo's Cervical Cancer Trust)
- To help fund a mobile unit for community cancer awareness across Ireland (Marie Keating Foundation)
- A grant for a replacement oven (Shooting Star Children's Hospice)
- Funding towards a vehicle upgrade (Blood Bike Leinster)
- A grant towards a nurse led helpline (British Liver Trust)
- To provide virtual workshops for cancer patients (Look Good Feel Better Ireland)
- To help fund an online mental health support programme (Arthritis Ireland)
- A grant towards Covid 19 support equipment (Birmingham St Mary's Hospice)
- To provide a therapeutic arts programme (Highland Hospice)
- A grant towards a support service for those with eating disorders (Linda Tremble Foundation)
- To help fund research into image guided sarcoma surgery (Orthopaedic Research UK)

In addition, the Hospital Saturday Fund receives many letters of appreciation from grantees. The following are quotations taken from letters sent to the Charity following grants being awarded to each:

**Grant to London's Air Ambulance**

The Hospital Saturday Fund have made an invaluable contribution to the work of London's Air Ambulance Charity over the years. The most recent grant awarded is helping us pay for the additional travel and accommodation expenses of our advanced trauma team as they support nationwide efforts to manage the impact of Covid-19. We are extremely grateful for this continued support.

**Grant to The Children's Trust**

Thank you so much for your lovely news of a grant towards the additional costs we have had to incur for Personal Protective Equipment. That's extremely generous of The Hospital Saturday Fund and is truly appreciated, particularly at this difficult time during the global coronavirus pandemic.

**Grant to Chronic Pain Ireland**

Please accept our sincerest gratitude for your ongoing support of our charity and please convey our thanks and gratitude to all involved in the decision making process. We can now roll out our talks and meetings to those struggling at this time and we are so thankful to you all.

**Grant to Heart Children Ireland**

Our Family Psychology Support Service is now our busiest and most sought after service. When you add the COVID-19 Pandemic into an already stressful situation for parents and families, we can fully understand this increase for support. The most recent grant approved by HSF to Heart Children Ireland comes at a critical time for this service. Due to the increase in demand for this support and the huge drop in our fundraising income we had to, for the first time since its inception, consider a reduction in this vital service. However, the awarding of the grant from HSF has secured our Family Psychology Support service for many months. We are forever grateful to you all.

**Grant to Thames Valley Air Ambulance**

The Hospital Saturday Fund awarded a grant to Thames Valley Air Ambulance towards the cost of vital training for our doctors and paramedics. It's hard to fully explain the impact this funding has had on the care we deliver but to quote a member of the team "This was the most valuable, and useful course I have attend in 18 years of service with TVAA, thank you!"

**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2020**

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**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**

**Grant to Tommy's**

We are so grateful for your support. Without our wonderful supporters, we simply wouldn't be able to make the progress that we have to improve care and make pregnancy safer for families.

**Grant to Shine**

I wanted to take this opportunity to say a very sincere thank you. Your donation will help us to continue to deliver specialist support and care throughout the lives of people with Spina Bifida and/or Hydrocephalus, and to make a positive difference to their lives. A very important privilege is having you as a supporter.

**Grant to Good Shepherd Cork**

That's terrific news! Thank you very much indeed for your support and efforts on our behalf. The grant will really make a positive difference to children struggling with the double disadvantages of ASD and homelessness.

**Grant to Cancer Fund for Children**

With coronavirus having a major impact on all our lives and organisations, I wanted to let you know how grateful we are for your very kind donation. Cancer, and how it affects children and their families, will unfortunately not stop during this unprecedented crisis. Thank you for supporting children and young people who need our help now more than ever. We couldn't do it without you.

**Grant to Irish Red Cross**

We are currently facing costs related to PPE including PPE equipment, uniforms, single issue items, and the cost of equipping our staff with items that are now required for hygiene and personal protection e.g. helmets, gloves, visors/masks, etc so your grant is indeed very much appreciated and welcomed and will go a long way towards covering these costs for our unit and volunteers. Thank you again for your generous support, we really appreciate it more than you can know.

Individuals have also expressed their gratitude and there are extracts from letters below:

**Grant for a Wheelchair**

I am really happy as I had bad news yesterday for open heart surgery and you have just put a smile on my face, thank you, thank you. I'm crying with joy, for once someone was willing to help me, I can't believe it, pinch me.

*Individual Grant Recipient*

**Grant for Speech Therapy**

Just to keep you updated, Tay has had four sessions of the new therapy and already he can say A, B, S and say 'mumma', 'more', 'me' and best of all he can moo like a cow! Please could you let the Trustees know and thank you all so, so much for helping in Tay's communication journey. He is finally starting to find his voice.

*Parent of Individual Grant Recipient*

**Grant for Mobility Equipment**

My grandson's key worker with Sense NI approached yourselves for a grant, to enable Jackson to be more mobile by using a mustang walker and after being told he would never walk, this has given him some independence. I want to thank you so much for the grant you've given him, to see him improve weekly is such a glorious sight to see. This will change his life and give him more confidence in being a bit more independent. Again thank you so much, you've no idea how grateful we are, especially Jackson.

*Family Member of Individual Grant Recipient*

**Grant for a Hoist**

Thank you so much for the recent grant cheque that we received from the HSF. This money will go towards a hoist in our daughter's new bedroom. It makes the job of bathing her so much easier and safer for us as her parents and for the carers who come in to help us in the evenings. Again, thank you so much for this donation - we will be forever grateful to HSF.

*Parent of Individual Grant Recipient*

**Grant for Communication Equipment**

I can definitely speak very highly of your charity. Your charity along with all the personalities there has helped me out so much over the years to the point that I would have been lost without you. You have given me so much independence and made it all worthwhile. Once again, thank you so much for this grant and the lovely generosity of your charity.

*Individual Grant Recipient*

**THE HOSPITAL SATURDAY FUND**  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2020**

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)**



*Grant recipients at HSF's Dublin charity reception at the Mansion House, on 20<sup>th</sup> February 2020 in the presence of Tom Brabazon, the Lord Mayor of Dublin, Vice-President of The Hospital Saturday Fund*

**FINANCIAL REVIEW**

**State of affairs**

The Group Statement of Financial Activities for the year is set out on page 21 and shows net incoming resources before investment gains and losses for the year of £4,380,024, (2019: £196,001). Net movement in funds for the year amounted to £8,870,730, after investment gains of £3,976,356 resulted in a net asset position as at 31 December 2020 of £43,353,303 (2019: £34,996,923). Of these funds, £24,151,135 is represented by the net assets of the trading subsidiary.

The trading company HSF health plan Ltd's total profit for the year was £7,252,628 (2019: £3,584,942). Total premiums (less Insurance Premium Tax) for the year were £31,008,019. Benefits payable (including Personal Accident premiums and helplines) for the year were £19,735,198 and represented 63.6% of premium income. The Directors consider the overall state of affairs to be satisfactory.

The trading company HSF Assist Ltd's total profit for the year was £18,693 (2019: £9,760). Total income for the year was £31,515 (2019: £22,737). The Directors consider the overall state of affairs to be satisfactory

For the charity alone, total income for the year amounted to £5,876,155 (2019: £1,856,043) including gift aid from the subsidiary companies of £5,594,802 (2019: £1,469,690). Grants totalling £1,333,402 (2019: £1,550,679) were made during the year, which is considerably in excess of income available for charitable application. These grants were therefore made by utilising expendable endowment funds. After charging the grants and crediting the gift aid payment and realised and unrealised investment gains the endowment fund increased by £4,193,484 to £18,053,750

The Trustees are satisfied with the net asset position of the group at the year end and are confident that sufficient funds will be available to meet the future needs of the Charitable Company.

**THE HOSPITAL SATURDAY FUND**  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2020**

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**Reserves Policy**

The Trustees have established a policy for retaining reserves both in light of the risks the charitable group faces and the Trustees' strategic priorities for their grant making activities. In essence the principal purpose of the reserves are to provide a capital base from which income would be earned to finance the grant making activities. The Trustees' reserve policy is to maintain an expendable endowment at a level of no less than £5m and no greater than £14m, this is to ensure a prudent approach to the risks faced by the Charity and also to ensure the continued level of the Charity's grant-making. This approach has been put in place by the Trustees to avoid the situation where its annual grant-making is reduced or ceases, if the Charity fails to receive a Gift Aid donation from its Trading Subsidiary for a number of years. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances; however these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees. The Trustees are expecting a large gift aid donation from 2020 which is due to the exceptional circumstances that have resulted from the Covid-19 pandemic. However, given we are forecasting that the long lasting effect of the pandemic will likely result in quite low gift-aid donations over the next three years, the Trustees are not expecting a large increase in the grant making as a result of the 2020 gift aid. Therefore, this will be used to fund the next three years' grant making.

The charity plans carefully to ensure that it budgets in accordance with expected income flows but inevitably short-term fluctuations can occur. In light of this policy residual free reserves will be held at a level sufficient to cover the operational working capital needs of the charity and to provide for short term fluctuations in either falls in investment income year on year, and/or falls in profitability of the trading subsidiary. For clarity trading reserves have been separated from free charitable funds.

At the end of the year free reserves totalled £1,148,418. Although this is a small increase in the level compared with last year, the continued tough economic climate and its impact on the investment portfolio has meant that grant making activities were all financed from the endowment fund. The Trustees, having reviewed their strategy, are satisfied that the policy is appropriate and satisfied with the level of free reserves. Review had been carried out in 2019 by a CASS student, who found our current Reserves Policy is fit for purpose.

The trading subsidiary HSF health plan Ltd holds reserves of £24,130,194. The trading subsidiary requires reserves of this level to meet its Solvency II requirements as an insurance provider.

**Principal Risks and Risk Assessment**

The Board of The Hospital Saturday Fund regularly assesses the risks to which the Charity is exposed. It agrees how best these risks may be mitigated and the Charity makes the appropriate action to manage these risks. The risks and associated mitigations are all recorded on the organisation's risk register.

The Charitable Company's principal risks are the inability of the investment portfolio to generate income, the failure of its Trading Subsidiary to generate sufficient profits, which support the Charity's annual grant-making and the withdrawal of the UK from the EU and the potential impact on the way the charity is able to operate in the Republic of Ireland. All of these principal risks along with others are monitored closely and where possible control and mitigating action plans are put in place and these are monitored quarterly by the Boards.

The Risk & Compliance Committee of the Charitable Company's Trading Subsidiary monitor the Company's risk exposure in all areas including investment, operational, financial, human resources, sale and business continuity, with the Committees also monitoring their own areas of risk as well. It advises the Board on risk management and policy, while it also keeps under review the effectiveness of these areas. The Chief Risk Officer (CRO) is the Executive Director accountable for enabling the efficient and effective governance of significant risks, and related opportunities, for the Trading Company and this role is the responsibility of the Managing Director. The Chief Risk Officer reports to the Risk & Compliance Committee quarterly to assist the committee with actively monitoring the risks and ensure the controls and appropriate monitoring systems are in place, the CRO is also accountable to the Board of Directors.

The Trading Company have produced various risk registers for the different parts of the business and these are kept under constant review by the various Committees and Board to manage and mitigate risks. Risk & Compliance Committee meet regularly to review and monitor these and reports to the Board. The Board are satisfied with the Risk management policies and procedures in place.

**THE HOSPITAL SATURDAY FUND  
(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2020**

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**Principal Risks and Risk Assessment (continued)**

To assure the Trading & Charitable Company's compliance with the GDPR regulations an external assurance report from a third party was commissioned. This included a review of all the data protection related policies, privacy notices/statements, forms and guidance documents that had been issued. In addition, the report also included interviews with several members of the Senior Leadership Team. The overall conclusion reached was that the working practices and procedures for the company were satisfactory. The areas highlighted to support continuous improvement were covered in a report that was distributed to the Executive Directors, the Data Protection Officer, Compliance Manager and the ICT Manager for comment and action. It was also reviewed by the Company's Audit & Finance Committee.

The main activity of the Trading Company is operator of a medical cash plan and with this business activity, comes the need to take risk. We monitor the profitability of schemes and the claims data regularly, taking action when required and deemed necessary. The scheme premiums are rated on detailed analysis of historic claims data. Under the insurers regulatory regime, we also consider and diligently monitor a wide range of other risk including market, liquidity, interest rate, insurance, operational, concentration among others, this is done by regular consideration of the ORSA (Own Risk and Solvency Assessment), further information on some of these risks can be found in Note 18 and Note 19 of this document.

**Solvency II**

The Solvency II regime, which came into effect on 1 January 2016, has continued throughout 2020. The most significant requirement under Solvency II is the submission to the Prudential Regulatory Authority (PRA) on a regular basis (usually annually) of the Own Risks and Solvency Assessment (ORSA), following approval of the Board. The ORSA was approved at the Board meeting in September 2020 and was subsequently submitted to the PRA. The Board will continue to monitor this activity and ensure the company continues to satisfy their solvency requirements

**Investments & Investment Policy**

Under the Memorandum and Articles of Association, the Trustees of the Charitable Company have the power to make any investments which the Trustees see fit. In September 2007 the Board appointed UBS AG as Investment Managers.

The Trading Company's Investment Policy is linked to the Prudential Regulation Authority solvency requirements. Its Investment Policy reflects a low to medium risk profile, which is similar to that of the overall Charitable Group. The Charitable Company's portfolio produced a net loss of £9,783 on the investments held. Both the Trading Company's & Charitable Company's Investment Policies are reviewed annually by the Charitable Company's Investment Committee.

The Charitable Company follows a composite benchmark of a weighted index of the markets represented within the adopted asset allocation, i.e. the index relating to the specific asset class is multiplied by the percentage, which that particular asset class represents of the whole portfolio, and then these are added together to create the composite benchmark.

The Charitable Company's ethical investment policy is that no investment may be made in any company that derives any of its income from tobacco manufacturing or earns more than 10% from tobacco related products. To further enhance the Charitable Company's ethical investment policy all holdings in the portfolio held with UBS AG were switched to a Socially Responsible and Sustainable Strategy in April 2018, the strategy invests in companies that are exhibiting a highly sustainable approach to their business looking at environmental, social and governance criteria.

**Remuneration policy**

The Board of Trustees is satisfied that the Trading Subsidiary's staff salaries are benchmarked against market levels, using salary surveys and job comparison searches obtained from reputable recruitment agencies. The Trading Subsidiary's Human Resources Committee monitor and review on an annual basis.

**FUTURE PLANS**

The Trustees hold a Reception each year in order to present grants in person to representatives of medical charities, hospices and hospitals. The Trustees had hoped to hold one such event at the University of Exeter 18 February 2021. Unfortunately, this event has been postponed until 27 October 2021 due to the current Covid 19 crisis.

In 2021, it is expected that grants awarded to medical charities, hospitals and hospices will be in the region of £2,000,000 and recipients are already receiving funds. This will be even more appreciated as charities experience a decline in funding, generally, during these difficult times.

**THE HOSPITAL SATURDAY FUND**  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2020**

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**FUTURE PLANS (continued)**

The Charity relies on the success of its Trading Subsidiary, HSF health plan, not only to maintain but potentially to increase the size of its expendable endowment and therefore to increase the amount of charitable grants. The Trustees look forward to extending their grant making in the long term resulting in a greater contribution to the work of the medical charity sector.

The Trustees are looking to expand the trading activities and have approved the investment in an additional trading subsidiary based in Malta. This subsidiary will be marketing health cash plans in Malta and received its insurance licence from the Maltese Financial Services Authority in February 2021.

**Brexit**

As 56.6% of the overall premium income for the trading company was generated in Ireland in 2020 (2019: 56.5%), the trading company's Board of Directors and Senior Management Team, in consultation with their advisors, have conducted extensive research and contingency planning in advance of the UK's departure from the EU on 31<sup>st</sup> January 2020, and the end to passporting from the UK to Ireland following the cessation of the transitional period on 31<sup>st</sup> December 2020. The research and planning have been useful to facilitate the most beneficially compliant trading arrangements for the Trading Company, post Brexit. On 4<sup>th</sup> January 2021, the Central Bank of Ireland granted HSF health plan a license for a Third Country Branch which allows our Insurance Company to continue trading in Ireland, post Brexit.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**The Association**

The Association performs an important role in the overall governance of the Charitable Company and the governing document is Articles of Association dated 16<sup>th</sup> October 2019 and amended 7<sup>th</sup> November 2019. The Members of the Association are responsible for electing the Board and Honorary Officers of the Charitable Company.

The Association comprises up to 100 Members (excluding Honorary Officers) whose services will, in the opinion of the Board, be advantageous to The Hospital Saturday Fund. Appointment is for a period of three years, but renewable. From time to time the Board recommends to the Association that some Members should be elected for their lifetime, in recognition of particular service. The President, Vice Presidents and Life Members of the Association are listed below.

**President** The Right Honourable The Lord Mayor of London

**Vice-Presidents** The Right Honourable The Earl of Meath  
The Right Honourable The Lord Mayor of Dublin  
The Right Honourable The Lord Provost of Glasgow  
The Right Honourable

The Lord Mayor of Belfast

Mr K R Bradley MCMI

**Life Members of the Association**

Mr. D C Barnes	Mrs. P E Lee
Mr. P Battams	Miss. I Racher
Mr. T A Botly	Mr. A M Rees LLB BA FCIPD
Mr. M J Boyle FCA	Mr. E W Smith
Miss. D O Denton JP	Mr. W N Smith
Mr. R Dool	Mr. D T Young
Mr. L I Fellman	Mr. P P Groat
Mr. K Lawrey JP LLB MA MSc (Econ) Barrister (Gray's Inn)	
Mrs. L M C Warner RGN SCM ONHC (deceased 11 Jan 2021)	

The Association held two General Meetings during the year, the first being the Annual General Meeting which was held on 14 May 2020 on zoom, due to Covid-19 restrictions. The President and Vice Presidents (listed above) were elected. Recognising that some civic offices change hands at times of the year not close to the Fund's AGM, authority was given to the Board to invite the successors of those elected to serve in the appropriate Honorary Officer capacity.

At an Extraordinary General Meeting held on 15 October 2020, Mr John Greenwood was re-elected as Chairman of the Association and Board, also at this meeting Mr Mark Davies and Mr David Thomas were elected for a three year term as Trustees.

**THE HOSPITAL SATURDAY FUND  
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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2020**

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**Board of Trustees (Continued)**

The Board comprises the Chairman and six other Trustees. The Trustees are also Directors of the Charity for the purposes of the Companies Act. The Chief Executive and the Company Secretary attend Board Meetings.

At each Board Meeting, Trustees receive reports from the Board of HSF health plan Limited and annually they appoint two Members of the Association, who are not Trustees, to attend the Annual General Meeting of HSF health plan Limited with full voting rights.

The Trustees are covered by qualifying third party indemnity insurance, paid by HSF health plan Limited, which was in place throughout the year and remains in force at the date of this report.

At each Board Meeting, Trustees receive reports from the Board of HSF Assist Limited.

Following the introduction of the Charity Governance Code in July 2017, The Charity has adopted this and applied its principles throughout its Governance structure. The Board of trustee regularly review the Charity Governance Code using the apply and explain method which means should an item be decided not applicable to the charity by its Trustees an explanation for this decision is documented. The charity is currently compliant with all areas of the Charity Governance Code.

**Appointment, Induction and Training of the Trustees**

Trustees are appointed to the Charity Board through a nomination and election process by the Members of the Association. They are appointed for a term of office of three years. The Association Members, by virtue of the Articles of Association, decide who serves as Non-Executive Directors of HSF health plan Limited and who should serve the Grant Making Committee.

On appointment, all new Trustees receive thorough induction and training, which includes receiving detailed information about the Charity via a Trustee Manual, including its Memorandum and Articles, latest accounts, latest financial reports and minutes of recent Trustees' meetings. In addition, new Trustees attend an induction process at head office, where they are briefed by the Chief Executive and key staff on all aspects of the Charity's operations, staffing and organisation management. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Trustee training is provided by the Charitable Company as required. Trustees are encouraged to attend appropriate external training courses / seminars to enhance their expertise and are required to undertake the Association of Financial Mutuals / Chartered Insurance Institute health cash plan training module which concludes with an examination. Those who serve the trading company are also encouraged to attend external training appropriate for Non-Executive Directors managing an insurance company regulated by the Prudential Regulation Authority.

**Grant Making Committee, Policies and Procedures**

The Committee usually meets every quarter and reports directly to the Board. In addition to the two Trustees elected as Chairman, Professor Paul Palmer and Vice Chairman, Mrs Margaret Rogers, the Committee includes appointed members Mrs Natalie Comber, Mr Paul Jackson, Mrs Pauline Jones, Mr Keith Lawrey, Mrs Carol Murphy, Mr Cathal Nolan, and Mr Glyn Tomlinson.

Grants are awarded to national and local medical charities, hospitals and hospices throughout the UK and Ireland. Grant making guidelines for both individuals and organisations (medical charities, hospices and hospitals) are drawn up and approved by the Board. For individuals this means that applications are only accepted through a third party who has some involvement in the care of the applicant, e.g. doctor, social worker or another charity, and the demonstrated need is required to have a strong medical connection. Hospitals are required to state a particular capital project or charity within their hospital to receive their grant. Detailed guidelines for our grant making policy are available on our website [www.hospitalsaturdayfund.org](http://www.hospitalsaturdayfund.org).

The Grant Making Committee members and Trustees of The Hospital Saturday Fund take the opportunity to visit charities or attend their receptions in order to gain a greater overall knowledge.

**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

**REPORT OF THE BOARD OF TRUSTEES (continued)**

**YEAR ENDED 31 DECEMBER 2020**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Report, Strategic Report, and the financial statements in accordance with applicable law and regulations.

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). The Trustees have also applied the basis of preparation FRS102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and FRS103 Insurance Contracts. 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

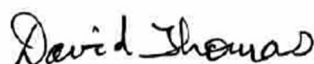
So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

ON BEHALF OF THE BOARD ON 18 March 2021



JOHN GREENWOOD  
Chairman



DAVE THOMAS  
Vice-Chairman

## 1. Our Opinion

We have audited the financial statements of The Hospital Saturday Fund (the parent charitable company) and its subsidiaries (the group) for the year ended 31 December 2020.

The financial statements that we have audited comprise:

- Consolidated Income Statement
- Consolidated Statement of Financial Activities
- Group and Charity Balance Sheet
- Consolidated Statement of Cash Flows
- Notes 1 to 24 of the financial statements, including the accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law, Financial Reporting Standard 102 - *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, Financial Reporting Standard 103 - *Insurance Contracts*, 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 of the parent charitable company’s affairs as at 31 December 2020 and incoming resources and application of resources, including its income and expenditure, for the year then ended;
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to public benefit entities and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Overview

<b>Materiality</b>	
Group	£611,000    2% Gross Revenues
<b>Key audit matters</b>	
Event driven	<ul style="list-style-type: none"> <li>• Impact of the UK exiting the European Union.</li> </ul>
Recurring Group	<ul style="list-style-type: none"> <li>• Completeness of insurance premium income</li> <li>• Reasonableness of estimates of provisions for outstanding claims liabilities</li> </ul>

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

**2. Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team and, as required for public interest entities, our results from those procedures. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Impact of the UK exiting the European Union.</b>	
<b>The Risk</b>	<b>Our response</b>
As noted in the Trustees' Report, the impact of the UK exiting the European Union will potentially have a significant impact on the operations of the group.	Our procedures included an assessment of the actions taken in response to Brexit taking place on 31 <sup>st</sup> December 2020 to ensure that it is able to operate in both jurisdictions.
<p><b>Result of our procedures</b> We have concluded that the uncertainties involved do not represent a going concern risk to the organisation as a whole and that sufficient disclosure has been made regarding this uncertainty in the Trustees' Report.</p>	

<b>Completeness of insurance premium income</b>	
<b>The Risk</b>	<b>Our response</b>
As described in the accounting policy note 1b, premiums represent income earned from policyholders. There is a risk that premium income is not complete due to inaccurate recording of policyholders and the premiums associated with each policyholder.	Our procedures included assessing the design and implementation of key controls around the recording of premium income. This included key control testing on new joiners, ensuring that they are accurately and promptly entered into the policyholder system. In addition to the control testing, we performed substantive analytical review procedures reconciling expected premium income from the policyholder database, to that which had been recorded in the financial statements to ensure that income was complete.
<p><b>Result of our procedures</b> We concluded that premium income was complete and had been accurately recorded in the financial statements.</p>	

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

<b>Provision for outstanding claims</b>	
<b>The Risk</b>	<b>Our response</b>
As described in accounting policy 1p, provisions are made at the year-end for the estimated costs of claims incurred, but not settled, at the balance sheet date. As this assessment requires judgements, it is considered a key area of focus for the audit due to the material amount of the provision.	Our procedures included an assessment of the methodology used in order to calculate the claim provision at the year end. We then tested this methodology by substantive analytical review which included the review of historic provision against actual results, the expected provision based on historical patterns, and the reasonableness of the methodology in light of the Covid-19 pandemic and Brexit.
<p><b>Result of our procedures</b> We concluded that the provision for outstanding claims is within an acceptable level and has been recorded appropriately.</p>	

**3. Our application of materiality**

Our definition of materiality considers the value of error or omission on the financial statements that would change or influence the economic decision of a reasonably knowledgeable person. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the group and the parent charitable company was set at £611,000 which was determined on the basis of 2% of Gross Revenues.

**4. An overview of the scope of our audit**

In addition to the parent charitable company, the group consists of 2 reporting components.

- HSF Health Plan Limited
- HSF Assist Limited

All of these entities were considered to be significant components of the group. All significant group components were subjected to full scope audits for the purposes of our audit report on the group financial statements.

The group audit team performed the audit of all significant components of the group.

**5. 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. Our evaluation of the Trustees’ assessment of the entity’s ability to continue to adopt the going concern basis of accounting included:

- the consideration of inherent risks to the group and parent charitable company’s operations and specifically its business model
- the evaluation of how those risks might impact on the group and parent charitable company’s available financial resources.
- where additional resources may be required the reasonableness and practicality of the assumptions made by the Trustees when assessing the probability and likelihood of those resources becoming available.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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Our evaluation of the Trustees' assessment included:

- Liquidity considerations including examination of cash flow projections;
- Solvency considerations including examination of budgets and forecasts and their basis of preparation;
- Viability assessment including consideration of reserve levels and business plans.

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 and 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.

We have nothing material to add or draw attention to in relation to the Trustees' statement within the Trustees' Report about whether the Trustees consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

It is our responsibility to obtain sufficient and appropriate evidence regarding and to conclude on:

- whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent Company's ability to continue as a going concern and
- the appropriateness of the trustees' use of the going concern basis of accounting in the preparation of the financial statements.

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

## **6. Other information**

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

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

## **7. 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 strategic report and the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees' report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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**8. Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustee' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires is to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received by branches not visited by us; or
- the 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.

**9. Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 the 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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**10. 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the group operates in, focusing on those laws and regulations that had a direct effect on the financial statements. The key laws and regulations we considered in this context included UK Companies Act, Insurance Services Act 2015 and the Financial Services and Markets Act 2000 and applicable tax legislation. In addition, we considered compliance with the UK Bribery Act and employee legislation, as fundamental to the group's operations;
- Reviewing key correspondence with regulatory authorities such as the Financial Conduct Authority, Prudential Regulatory Authority, and Financial Reporting Council;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Enquiry of management around actual and potential litigation and claims;
- Enquiry of the audit and finance committee of the subsidiary concerning actual and potential litigation and claims;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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- Assessment of matters reported on the group's whistleblowing helpline and the results of management's investigation of such matters;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular with respect to provisions for claims incurred but not reported.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group's or the parent charitable company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND**

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**11. Other requirements**

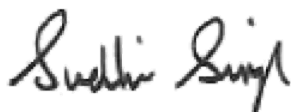
We were appointed by the Trustees on 29 November 2019. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 2 years.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the Trustees.

**12. Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Sudhir Singh FCA**  
(Senior Statutory Auditor)  
for and on behalf of MHA MacIntyre Hudson  
Chartered Accountants and Statutory Auditor  
6<sup>th</sup> Floor  
2 London Wall Place  
London  
EC2Y 5AU

Date: 1 April 2021

**THE HOSPITAL SATURDAY FUND**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020		2019	
		£	£	£	£
<b>TECHNICAL ACCOUNT GENERAL BUSINESS</b>					
Earned premiums					
Gross premiums written		31,177,756		31,117,259	
Change in the gross provision for unearned premiums		(169,737)		152,042	
		<u>                    </u>		<u>                    </u>	
Gross premiums earned			31,008,019		31,269,301
Less: reinsurance premiums			(1,184,652)		(1,141,276)
			<u>                    </u>		<u>                    </u>
Net premiums earned			29,823,367		30,128,025
<b>Claims incurred</b>					
Gross claims paid		(18,220,179)		(21,417,069)	
Change in the gross provision for claims outstanding		(42,645)		(79,150)	
		<u>                    </u>		<u>                    </u>	
			(18,262,824)		(21,496,218)
<b>Net operating expenses</b>			<u>(5,714,744)</u>		<u>(6,895,673)</u>
<b>Balance on the technical account for general business</b>			5,845,799		1,736,134
<b>NON-TECHNICAL ACCOUNT</b>					
<b>Investment income</b>					
Income from other financial investments	2	611,399		741,766	
Interest receivable	2	44,201		66,402	
Realised gains - other financial investments	9	50,729		1,071,500	
Unrealised gains/(loss) - other financial investments	9	1,280,626		2,317,183	
Investment expenses and charges		(249,838)		(245,888)	
		<u>                    </u>		<u>                    </u>	
			1,737,117		3,950,963
<b>Other income</b>					
Coronavirus Job Retention Scheme grants	14	235,222		-	
		<u>                    </u>		<u>                    </u>	
			235,222		-
Donations and legacies received		1,598		13,108	
Net income from trading activities		18,693		9,760	
Other charges – charitable activities		(1,259,865)		(1,752,187)	
		<u>                    </u>		<u>                    </u>	
			(1,239,574)		(1,729,319)
<b>Profit on ordinary activities before tax</b>			<u>6,578,564</u>		<u>3,957,778</u>
<b>Taxation</b>	13		<u>(375,970)</u>		<u>(373,094)</u>
<b>Profit for the year after tax</b>			<u>6,202,594</u>		<u>3,584,684</u>

The profit on ordinary activities before tax is wholly attributable to continuing activities.

The notes on pages 24 to 40 form part of these financial statements.

**THE HOSPITAL SATURDAY FUND**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 Unrestricted Charity £	2020 Trading £	2020 Expendable Endowment £	2020 Total £	2019 Total £
<b>Income and endowments:</b>						
Donations and legacies		1,598	-	-	1,598	13,108
Trading activities	6	-	31,039,533	-	31,039,533	31,292,038
Investment income	2	258,715	396,885	-	655,600	808,168
Coronavirus Job Retention Scheme	14	-	235,222	-	235,222	-
Total incoming resources		260,313	31,671,640	-	31,931,953	32,113,314
<b>Expenditure on:</b>						
Raising funds – trading activities	4	(8,020)	(26,200,688)	(88,956)	(26,297,664)	(30,185,407)
<b>Amounts available for charitable application</b>		252,293	5,470,952	(88,956)	5,634,289	1,927,907
Charitable activities	4	(1,254,265)	-	-	(1,254,265)	(1,731,906)
<b>Net incoming resources before investment gains and losses</b>		(1,001,972)	5,470,952	(88,956)	4,380,024	196,001
Gift aid donation		-	(5,594,802)	5,594,802	-	-
Gain on revaluation of tangible assets		-	2,645,000	-	2,645,000	-
Realised investment gain	9	-	908	49,821	50,729	1,071,500
Unrealised investment (loss)/gain	9	-	1,309,408	(28,781)	1,280,627	2,317,183
Transfer between funds		1,333,402	-	(1,333,402)	-	-
<b>Net movement in funds for the year</b>		331,430	3,831,466	4,193,484	8,356,380	3,584,684
<b>Funds brought forward</b>		816,988	20,319,669	13,860,266	34,996,923	31,412,239
<b>Funds carried forward at 31 December 2020</b>		1,148,418	24,151,135	18,053,750	43,353,303	34,996,923

The notes on pages 24 to 40 form part of these financial statements

All transactions are derived from continuing activities.

The statement of financial activities includes the income and expenditure account.

All recognised gains and losses are included in the statement of financial activities.

## GROUP AND CHARITY BALANCE SHEETS

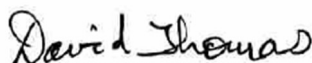
AT 31 DECEMBER 2020

	Notes	2020		2019	
		Group £	Charity £	Group £	Charity £
<b>FIXED ASSETS</b>					
Tangible assets	8	5,216,738	-	2,762,607	-
Investments	9	30,557,478	27,164,030	28,452,991	27,173,813
		<u>35,774,216</u>	<u>27,164,030</u>	<u>31,215,598</u>	<u>27,173,813</u>
<b>CURRENT ASSETS</b>					
Debtors	10	2,410,905	1,407	2,654,152	7,632
Bank balances and cash		11,022,798	7,924,279	5,952,851	3,459,706
		<u>13,433,703</u>	<u>7,925,686</u>	<u>8,607,003</u>	<u>3,467,338</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(4,487,062)</u>	<u>(19,724)</u>	<u>(4,325,309)</u>	<u>(96,222)</u>
<b>NET CURRENT ASSETS</b>		<u>8,946,641</u>	<u>7,905,962</u>	<u>4,281,694</u>	<u>3,371,116</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>44,720,857</u>	<u>35,069,992</u>	<u>35,497,292</u>	<u>30,544,929</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	13	<u>(1,367,554)</u>	<u>-</u>	<u>(500,369)</u>	<u>-</u>
<b>NET ASSETS</b>		<u><u>43,353,303</u></u>	<u><u>35,069,992</u></u>	<u><u>34,996,923</u></u>	<u><u>30,544,929</u></u>
Representing:					
<b>FUNDS</b>					
Unrestricted funds					
- General funds	15	1,148,418	15,749,403	816,988	15,418,194
- Trading funds	15	24,151,135	-	20,319,669	-
Expendable endowment fund	15	18,053,750	19,320,589	13,860,266	15,126,735
		<u>43,353,303</u>	<u>35,069,992</u>	<u>34,996,923</u>	<u>30,544,929</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 18 March 2021 and were signed below on its behalf by:



JOHN GREENWOOD  
Chairman



DAVE THOMAS  
Vice Chairman

The notes on pages 24 to 40 form part of these financial statements.

THE HOSPITAL SATURDAY FUND

CONSOLIDATED STATEMENT OF CASH FLOWS & ANALYSIS OF CHANGES IN NET DEBT

FOR THE YEAR ENDED 31 DECEMBER 2020

CONSOLIDATED STATEMENT OF CASH FLOWA

	2020 £	2019 £
<b>Reconciliation of net movement in funds for the year to net operating cash flows</b>		
Net movement in funds for the year	6,202,594	3,584,684
Taxation	375,970	373,094
Exchange (gains) / losses	(518,861)	556,869
Gain on revaluation of tangible assets	-	-
Unrealised (gains) on other financial investments	(1,280,626)	(2,317,183)
Realised (gains) on other financial investments	(50,729)	(1,071,500)
Income from other financial investments and cash	(655,600)	(808,168)
Depreciation and amortisation	265,830	337,253
Decrease/(Increase) in debtors	243,247	(139,560)
Increase in creditors	161,753	77,233
<b>Net cashflow from operating activities</b>	<u>4,743,578</u>	<u>592,722</u>
<b>Cash flows from investment activities</b>		
Income received from other financial investments	611,399	741,766
Interest received	44,201	66,402
Exchange gains / (losses)	518,861	(556,869)
Purchases of tangible fixed assets	(74,511)	(252,860)
Purchases of other financial investments	(8,349,813)	(24,858,663)
Sales of other financial investments	7,576,232	24,663,314
<b>Net cashflow from investing activities</b>	<u>326,369</u>	<u>(196,910)</u>
Increase/(decrease) in cash holdings	5,069,947	395,812
Cash and cash equivalents at 1 January 2020	5,952,851	5,557,039
Cash and cash equivalents at 31 December 2020	<u>11,022,798</u>	<u>5,952,851</u>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	11,022,798	5,952,851
<b>Total cash and cash equivalents</b>	<u>11,022,798</u>	<u>5,952,851</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2020 £	Cashflows £	New finance leases £	At 31 December 2020 £
Cash	5,952,851	5,069,947	-	11,022,798
Finance lease obligations	(186,113)	130,455	(91,102)	(146,760)
<b>Total</b>	<u>5,766,738</u>	<u>5,200,402</u>	<u>(91,102)</u>	<u>10,876,038</u>

# THE HOSPITAL SATURDAY FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. ACCOUNTING POLICIES

The Hospital Saturday Fund is a charitable company limited by guarantee and is incorporated in the England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are that of a grant giving charity.

The charity constitutes a public benefit entity as defined by FRS 102. 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 Standards applicable in the UK and Republic of Ireland (FRS 102 & FRS103), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

These accounts consolidate the accounts of the Charitable Company and its wholly owned non-charitable trading subsidiary companies HSF health plan Limited and HSF Assist Limited. As permitted by Section 408 of the Companies Act 2006 and in accordance with paragraph 397 of the Charities SORP 2015, no separate SOFA has been presented for the Charitable Company alone.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**a) Gift of investment in HSF health plan Limited**

The investment is carried at the Trustees' estimate of valuation of the company at 1 April 2007, the date of gift from the company, less any provision for permanent diminution in value.

**b) Incoming resources**

All incoming resources are included within the Statement of Financial Activities (SOFA) where the charity has legal entitlement to the income, after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Incoming resources represents donations, income of the trading subsidiaries, investment income and Government grants in the form of the Coronavirus Job Retention Scheme grants received. All income is accounted for on a receivable basis.

**Premiums**

Earned premiums represent premium income from policyholders for the year, excluding insurance premium tax and including amounts due on 31 December and subsequently received.

Re-Insurance premiums are deducted from gross premiums earned for the Personal Accident as this is underwritten by a third party.

Provision is made for premiums received, but not earned at the balance sheet date.

All premiums arise in the United Kingdom and Ireland.

**c) Tangible Fixed Assets**

The group has adopted the revaluation method in relation to its freehold property. Land and buildings occupied by the Company for its own purposes are stated at valuation less depreciation. Depreciation in excess of historical costs is charged to the revaluation reserve.

Other Fixed Assets are stated at historical cost less accumulated depreciation. Costs include expenditure directly attributed in making the asset capable of operating as an asset.

Depreciation is provided on all tangible assets at rates calculated to write off the cost or valuation less estimated residual value of assets in equal instalments over their expected useful lives. Assets costing below £1,000 are fully depreciated in the year of acquisition. The rates used are as follows:-

Freehold property	2%
Furniture and equipment	20%
Computer equipment	25%

# THE HOSPITAL SATURDAY FUND

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1. ACCOUNTING POLICIES (continued)

**d) Investments**

Investments are recognised initially at fair value which is normally the transactional price, in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' subsequently they are reserved at fair value with unrealised gains and losses on the revaluation of listed investments are taken to the Statement of Financial Activities.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and market value at the previous financial year end or cost if the investment was acquired subsequently.

**e) Interest Receivable**

Interest receivable is credited to the Statement of Financial Activities in the year in which it is receivable.

**f) Pension Costs**

The Group makes contributions to employees' group personal pension plans. The pension cost charge charged to the Statement of Financial Activities in the year represents contributions payable by the group to the group personal pension plans in respect of the year.

**g) Redundancy**

Redundancy costs arising from periodic reviews of staff levels are charged against profit in the year in which employees leave the group.

**h) Expenditure**

Expenditure is accounted for on an accounts loss and classified under functional headings on a direct cost basis. Expenditure is recognised where there is a legal or contractual obligation to issue a payment to a 3<sup>rd</sup> party, it is probable trust settlement will be required and the amount of the obligation can be measured reliably. Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration, internal and external audit costs and IT support. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 4.

**i) Claims Incurred**

Claims incurred represent benefits payable to policyholders for the year and include a provision for claims in respect of the year to 31 December settled after that date.

**j) Fund accounting**

Unrestricted funds comprise accumulated surpluses on general and trading funds.

General funds comprise the accumulated surplus from the Statement of Financial Activities which are neither restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company.

Trading funds are the accumulated trading surpluses and revaluation surplus of the trading subsidiary.

Expendable endowment funds arise where the terms of the gift aid donation stipulate that the funds are to be treated as capital but may be expended at the discretion of Trustees within the objects of the charity.

Accordingly, the Trustees have the right but not the duty to expend the capital as they see fit.

**k) Deferred Taxation**

Full provision is made for deferred tax assets and liabilities within the trading subsidiary accounts in respect of all non-permanent timing differences that have originated but not reversed at the balance sheet date. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

**l) Operating Leases**

Rentals costs payable under operating leases are charged to the Statement of Financial Activities over the period of each lease.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. ACCOUNTING POLICIES (continued)

**m) Translation of Foreign Currency**

Transactions in foreign currencies are converted monthly at the average monthly rates of exchange. At the year-end assets and liabilities are converted at the exchange rates ruling at that date. Exchange differences are taken to the Statement of Financial Activities.

**n) Grants**

Grants are recognised in the accounts when awarded by the Grant Making Committee and committed to and the recipient has been notified of the award. The grants are awarded at the discretion of the Trustees within the objects of the Charitable Company.

**o) Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like debtors arising out of direct insurance operations, trade payables, loans to related parties and investments in non-puttable ordinary shares. The financial assets and financial liabilities of the Company are as follows:

- Debtors – trade and other debtors are financial instruments and are debt instruments measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received as detailed in note 10. Prepayments amounting to £227,147 (2019: £279,758) for the Company are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in note 11. Amounts due to taxation and social security are not included in the financial instrument disclosure.

**p) Provisions**

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the Company. The estimate cost of claims includes expenses to be incurred in settling claims and a deduction for the expected value of recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its material claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the outcome will prove to be different from the original liability established.

Provision is also made at the year-end for the estimated unearned premium income at the balance sheet date. The Company takes all reasonable steps to ensure that it has appropriate information regarding its material unearned premium exposure. However, given the uncertainty in establishing unearned premiums provisions, it is likely the outcome will prove to be different from the original liability established.

**q) Significant judgments and estimates**

The group requires management to make significant judgements and estimates in the preparation of the financial statements. The items in the financial statements where these judgements and estimates have been made include the translation of foreign currency into the reporting currency and the technical provisions. The most significant judgement and estimate in the accounts is the technical provisions, as it can take up to six months after the year end before establishing the ultimate cost of claims incurred and premiums paid but not yet reported to the Company and the final outcome could be better or worse than the provisions. We use a calculation based on claims and premium trends from the previous two years to estimate the provisions required at the year end. The fair value of the freehold property has been based on the value provided by an independent chartered surveyor.

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES (continued)**

**r) Employee Benefits**

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The Charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**s) Tax**

The Charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. The taxation charge arising in the year relates to the operation of the Trading Subsidiary's.

**t) Going Concern**

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern including the impact of COVID-19. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charities ability to continue as a going concern. The charity therefore continues to adopt the going concern basis in preparing these financial statements.

**2. INVESTMENT INCOME**

	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>Charity</b>	<b>Group</b>	<b>Group</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Income from other financial investments	254,913	611,399	741,766
Interest receivable	3,802	44,201	66,402
	<u>258,715</u>	<u>655,600</u>	<u>808,168</u>

**3. NET INCOME FOR THE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
The net income for the year is stated after charging:		
Depreciation	265,380	337,253
Auditors' remuneration:		
Audit of the charity	6,840	6,600
Audit of the subsidiaries	32,220	31,200
Operating leases	130,455	137,045
	<u>434,895</u>	<u>543,300</u>

**4. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	<b>Direct costs</b>	<b>Grant funding</b>	<b>Support costs</b>	<b>2020 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Raising funds</b>				
Charity	96,976	-	-	96,976
Subsidiaries	18,262,824	-	7,937,864	26,200,688
<b>Charitable activities</b>	-	1,333,402	(79,137)	1,254,265
<b>Group Total</b>	<u>18,359,800</u>	<u>1,333,402</u>	<u>7,858,727</u>	<u>27,551,929</u>

All grants in the year were funded from the expendable endowment. The charitable activities support costs for 2020 is a negative balance due to the effect of exchange variance gains made in the year which forms part of this.

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

4. ANALYSIS OF TOTAL RESOURCES EXPENDED (continued)	Direct costs £	Grant funding £	Support costs £	2019 Total £
<b>Raising funds</b>				
Charity	106,193	-	-	106,193
Subsidiaries	21,496,218	400	8,582,596	30,079,214
<b>Charitable activities</b>	-	1,550,679	180,827	1,731,506
<b>Group Total</b>	<u>21,602,411</u>	<u>1,551,079</u>	<u>8,763,423</u>	<u>31,916,913</u>

All grants in the year were funded from the expendable endowment.

**ANALYSIS OF SUPPORT COSTS**

	2020 Total £	2019 Total £
Policy Services	1,481,779	1,427,033
Staff Costs	3,984,428	3,952,109
Property Costs	163,878	232,410
Sales & Marketing Costs	219,771	386,714
Administration Costs	2,333,198	1,983,742
Governance Costs	194,534	224,546
Exchange Variance	(518,861)	556,869
<b>Total</b>	<u>7,858,727</u>	<u>8,763,423</u>

**ANALYSIS OF GOVERNANCE COSTS**

	2020 Total £	2019 Total £
Internal Audit	-	2,040
External auditors' remuneration		
- Audit services	39,060	37,800
Governance and professional support	153,669	184,706
<b>Total</b>	<u>192,729</u>	<u>224,546</u>

**5. STAFF COSTS**

**Charity**

The charity employs no staff, all staff are employed by the trading subsidiary – HSF health plan Limited.

**Trading subsidiary – HSF health plan Limited**

	2020 £	2019 £
Wages and salaries	3,163,829	3,184,320
Social security costs	337,329	353,732
Pension costs	483,270	414,057
	<u>3,984,428</u>	<u>3,952,109</u>

The average number of persons employed during the year was:

Sales	22	20
Administration	52	54
	<u>74</u>	<u>74</u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**5. STAFF COSTS (continued)**

The number of employees whose annual emoluments exceeded £60,000 were:-

£60,001 - £70,000	7	5
£70,001 - £80,000	4	5
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£110,001 - £120,000	1	1
£160,001 - £170,000	1	-
£170,001 - £180,000	-	1
£240,001 - £250,000	1	-
£250,001 - £260,000	-	1

Contributions totalling £262,581 (2019: £169,541) were made to group personal pension plans in respect of the 16 (2019: 15) employees above.

None of the trustees were remunerated during the year for their services as trustees of the parent Charitable Company. Expenses totalling £5,295 (2019: £10,024) were reimbursed to five trustees (2019: five) of the parent Charitable Company.

As the charity does not employ any staff it has no direct key management personnel costs. Key management personnel within its trading subsidiary HSF health plan Limited are the Non-Executive Directors, Executive Directors and Head of Departments and total salary and benefits provided total £1,049,898 (2019: £1,027,258).

There were redundancy payments in the year totalling £122,337 (2019: £52,087). This includes statutory redundancy payments, payments in lieu of notice and non-contractual payments of £25,778 made to 5 members of staff (2019: £25,940 made to 4 members of staff). The non-contractual payments were made under the authority of the Directors when considered to be in HSF health plan Ltd best interest to avoid potential significant HR/legal costs.

Five Trustees received remuneration during the year for performance of their duties as Directors of the trading subsidiary. In accordance with the Charity Commission advice the two Trustees who are not remunerated, form the Remuneration Committee:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Mrs J L Dalton	7,256	6,381
Mr M Davies	10,878	9,921
Mr J Greenwood	8,300	6,369
Mr J Randel	15,934	14,863
Mr D Thomas	8,600	7,980
Total remuneration	<u>50,968</u>	<u>45,514</u>

Contributions totalling £1,366 (2019: £1,367) were made to personal pension plan in respect of the 1 (2019: 1) Director above.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 6. RESULTS OF SUBSIDIARIES

HSF health plan Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF health plan Limited, incorporated in the UK (number 30869), is a health cash plan organisation and donates its surplus annual taxable profits to the Charity under Gift Aid. The results of HSF health plan Limited are detailed below:

	2020	2019
	£	£
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	31,008,019	31,269,301
Claims paid and reinsurance	(19,447,476)	(22,637,494)
Net operating expenses	(5,714,744)	(6,895,673)
	<u>5,845,799</u>	<u>1,736,134</u>
Balance on the technical account for general business		
Investment income	1,547,577	2,222,302
Other income	235,222	-
	<u>7,628,598</u>	<u>3,958,436</u>
Profit before taxation		
Profit for the year after taxation	<u><u>7,252,628</u></u>	<u><u>3,584,942</u></u>
<b>BALANCE SHEET</b>		
Fixed assets	24,475,762	19,907,361
Net current assets	1,021,985	901,830
Deferred taxation	(1,367,554)	(500,369)
	<u>24,130,193</u>	<u>20,308,822</u>
<b>NET ASSETS</b>		
	<u><u>24,130,193</u></u>	<u><u>20,308,822</u></u>
<b>FUNDS</b>		
General reserve	24,130,193	20,308,822
	<u>24,130,193</u>	<u>20,308,822</u>

HSF Assist Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF Assist Limited, incorporated in the UK (number 8139547), is a helpline organisation and donates its surplus annual taxable profits to the Charity under Gift Aid. The results of HSF Assist Limited are detailed below:

	2020	2019
	£	£
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	31,515	22,737
Helplines and counselling	(9,405)	(8,761)
Other admin costs inc gift aid donation	(3,416)	(4,216)
	<u>18,694</u>	<u>9,760</u>
Profit for the year after taxation		
	<u><u>18,694</u></u>	<u><u>9,760</u></u>
<b>BALANCE SHEET</b>		
Net current assets	18,694	9,760
	<u>18,694</u>	<u>9,760</u>
<b>NET ASSETS</b>		
	<u><u>18,694</u></u>	<u><u>9,760</u></u>
<b>CAPITAL AND RESERVES</b>		
Share capital	1	1
Profit and loss account	18,694	9,760
	<u>18,695</u>	<u>9,761</u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

<b>7. GRANTS</b>	<b>Grants to Institutions</b>	<b>Grants to Individuals</b>	<b>Support Costs</b>	<b>2020 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
During the year the following grants were made:				
Medical charities	847,830	-	(50,318)	797,512
Hospitals and hospices	112,678	-	(6,687)	105,991
Welfare grants to individuals	-	90,780	(5,388)	85,392
Covid-19 fund grants	207,696	-	(12,326)	195,370
Other medical/welfare related organisations	74,418	-	(4,418)	70,000
	<u>1,242,622</u>	<u>90,780</u>	<u>(79,137)</u>	<u>1,254,265</u>
	<b>Grants to Institutions</b>	<b>Grants to Individuals</b>	<b>Support Costs</b>	<b>2019 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
During 2019 the following grants were made:				
Medical charities	1,065,862	-	124,292	1,190,154
Hospitals and hospices	162,237	-	18,919	181,156
Welfare grants to individuals	-	105,752	12,332	118,084
Other medical/welfare related organisations	216,828	-	25,284	242,112
	<u>1,444,927</u>	<u>105,752</u>	<u>180,827</u>	<u>1,731,506</u>

A full list of grants to institutions is available on the Charity website (<https://hospitalsaturdayfund.org/grant-updates/>).

<b>8. TANGIBLE FIXED ASSETS</b>	<b>Charity</b>			<b>Group</b>	
<b>COST OR VALUATION</b>	<b>Computer Equipment</b>	<b>Total</b>	<b>Freehold property</b>	<b>Furniture Fixtures and Fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2020	12,000	12,000	2,500,000	1,779,774	4,291,774
Additions in year	-	-	-	74,511	74,511
Disposals in the year	-	-	-	-	-
Revaluation	-	-	2,495,000	-	2,495,000
	<u>12,000</u>	<u>12,000</u>	<u>4,995,000</u>	<u>1,854,285</u>	<u>6,861,285</u>
<b>DEPRECIATION</b>					
At 1 January 2020	12,000	12,000	100,000	1,417,167	1,529,167
Charge for year	-	-	50,000	215,380	265,380
Disposals in the year	-	-	-	-	-
Revaluation	-	-	(150,000)	-	(150,000)
	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>1,632,547</u>	<u>1,644,547</u>
<b>NET BOOK VALUE</b>					
At 31 December 2020	<u>-</u>	<u>-</u>	<u>4,995,000</u>	<u>221,738</u>	<u>5,216,738</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>2,400,000</u>	<u>362,607</u>	<u>2,762,607</u>

The Company owns a freehold property at 24 Upper Ground, London SE1 9PD which is used for the Company's own activities. The property was valued on 18 February 2021, the fair value of the property was £4,995,000 on an open market basis by an independent valuer, Egerton chartered surveyors. At the date of the revaluation the directors believed the property had a useful economic life of at least 50 years.

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

9. INVESTMENTS	2020		2019	
	Group £	Charity £	Group £	Charity £
Market value at 1 January 2020	28,452,991	27,173,813	24,868,959	25,761,226
Additions	8,349,813	4,728,737	24,858,663	5,171,126
Disposals	(7,525,952)	(4,709,739)	(23,591,814)	(4,891,547)
Unrealised gains	1,280,626	(28,781)	2,317,183	1,133,008
Market value at 31 December 2020	<u>30,557,478</u>	<u>27,164,030</u>	<u>28,452,991</u>	<u>27,173,813</u>
Historical cost at 31 December 2020	<u>27,947,778</u>	<u>26,653,156</u>	<u>27,069,715</u>	<u>26,532,615</u>
<b>At market value</b>				
United Kingdom investments (listed)	7,390,199	5,109,112	7,528,400	5,215,208
Overseas investments (listed)	14,998,957	4,082,520	13,894,302	4,029,856
Bonds (listed)	5,160,518	1,401,350	5,104,667	1,355,562
Other (listed)	3,007,804	705,472	1,925,622	707,611
Investment in HSF health plan Limited (unlisted)	-	15,865,576	-	15,865,576
	<u>30,557,478</u>	<u>27,164,030</u>	<u>28,452,991</u>	<u>27,173,813</u>

The investment in HSF health plan Limited represents the reserves of HSF health plan Limited at the point at which the ownership was donated to The Hospital Saturday Fund. The consolidated statement of financial activities includes unrealised gains of £1,280,626 and realised gains of £50,729

10. DEBTORS	2020		2019	
	Group £	Charity £	Group £	Charity £
Insurance operation debtors	1,574,595	-	1,769,970	-
Other debtors	609,164	1,407	604,424	2,354
Prepayments and accrued income	227,147	-	279,758	5,278
	<u>2,410,906</u>	<u>1,407</u>	<u>2,654,152</u>	<u>7,632</u>

11. CREDITORS: amounts falling due within one year	2020		2019	
	Group £	Charity £	Group £	Charity £
Insurance operations creditors	3,564,733	-	3,352,351	-
Other creditors and accruals	839,443	19,724	1,036,538	96,222
Taxes and social security	82,886	-	(63,580)	-
	<u>4,487,062</u>	<u>19,724</u>	<u>4,325,309</u>	<u>96,222</u>

12. MOVEMENTS IN PRIOR YEAR'S PROVISIONS	2020	2019
	£	£
Claims Provision		
Net claims provision brought forward (including IBNR)	2,505,701	2,426,551
Net payments during the year in respect of those provisions	(2,578,508)	(2,700,694)
Adjustment to prior year's provision	72,807	274,143
Movement in provision during the year	2,548,346	2,505,701
Net loss provision carried forward in respect of outstanding claims	<u>2,548,346</u>	<u>2,505,701</u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

<b>12. MOVEMENTS IN PRIOR YEAR'S PROVISIONS (continued)</b>	<b>2020</b>	<b>2019</b>
Unearned Premium Provision	£	£
Net claims provision brought forward	846,650	998,692
Net premiums during the year in respect of those provisions	(846,650)	(998,692)
Adjustment to prior year's provision	-	-
Movement in provision during the year	1,016,387	846,650
Net loss provision carried forward in respect of unearned premiums	<u>1,016,387</u>	<u>846,650</u>

The provisions detailed above would be expected to be realised within six months of the year end due to the nature of our business and the terms and conditions of our policies.

<b>13. PROVISION FOR DEFERRED TAXATION</b>	<b>Liability on Property revaluation</b>	<b>Short term Timing difference</b>	<b>Fixed asset - timing differences</b>	<b>Total</b>
	£	£	£	£
At 1 January 2020	(145,910)	(361,990)	7,531	(500,369)
Profit and loss account	-	(389,832)	13,862	(375,970)
Other comprehensive income	(491,215)	-	-	(491,215)
At 31 December 2020	<u>(637,125)</u>	<u>(751,822)</u>	<u>21,393</u>	<u>(1,367,554)</u>
	£	£	£	£
At 1 January 2019	(145,910)	5,138	13,496	(127,276)
Profit and loss account	-	(367,128)	(5,965)	(373,093)
At 31 December 2019	<u>(145,910)</u>	<u>(361,990)</u>	<u>7,531</u>	<u>(500,369)</u>

Over the next 12 months it is expected that £751,822 of deferred tax liabilities in respect of short-term timing difference will reverse when the relevant gift aid donations are made to the parent charity. Reversal of deferred tax liabilities in respect of property revaluation is uncertain due to its dependency on prevailing market conditions.

**14. GOVERNMENT GRANTS**

	<b>2020</b>	<b>2019</b>
	£	£
Coronavirus Job Retention Scheme	235,222	-
	<u>235,222</u>	<u>-</u>

There are no unfulfilled conditions or other contingencies attaching to the grants received from government sources.

**15. MOVEMENT ON FUNDS**

	<b>At 1 January 2020</b>	<b>Movement in funds</b>		<b>Gains on Investments/Property</b>	<b>Transfers</b>	<b>Balance at 31 December 2020</b>
	£	Incoming resources	Resources expended	£	£	£
<b>Unrestricted funds</b>		£	£	£	£	£
General funds	816,988	260,313	(1,262,285)	-	1,333,402	1,148,418
Trading funds	20,319,669	31,671,640	(26,200,688)	3,955,316	(5,594,802)	24,151,135
	<u>21,136,657</u>	<u>31,931,953</u>	<u>(27,462,973)</u>	<u>3,955,316</u>	<u>(4,261,400)</u>	<u>25,299,553</u>
<b>Expendable Endowment</b>	13,860,266	-	(88,956)	21,040	4,261,400	18,053,750
<b>Total funds</b>	<u>34,996,923</u>	<u>31,931,953</u>	<u>(27,551,929)</u>	<u>3,976,356</u>	<u>-</u>	<u>43,353,303</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

15. MOVEMENT OF FUNDS (continued)

Unrestricted funds	At 1	Movement in funds		Gains on	Transfers	Balance at
	January 2019	Incoming resources	Resources expended	Investments/Property		31 December 2019
	£	£	£	£	£	£
General funds	631,743	386,353	(1,751,787)	-	1,550,679	816,988
Trading funds	18,194,657	31,726,961	(30,079,614)	1,947,355	(1,469,690)	20,319,669
	<u>18,826,400</u>	<u>32,113,314</u>	<u>(31,831,401)</u>	<u>1,947,355</u>	<u>80,989</u>	<u>21,136,657</u>
<b>Expendable Endowment</b>	<u>12,585,839</u>	<u>-</u>	<u>(85,912)</u>	<u>1,441,328</u>	<u>(80,989)</u>	<u>13,860,266</u>
<b>Total funds</b>	<u>31,412,239</u>	<u>32,113,314</u>	<u>(31,917,313)</u>	<u>3,388,683</u>	<u>-</u>	<u>34,996,923</u>

**Expendable endowment fund**

The principal purpose of the expendable endowment fund is to provide a capital base from which income is earned to finance the grant making activities. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances however these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees. Transfer of funds represents the gift aid donation from HSF health plan Limited to The Hospital Saturday Fund and the drawdown of expendable endowment to fund grants awarded in the year. The Reserves Policy is to maintain the Expendable Endowment at a level no less than £5m and no greater than £14m. The Trustees are expecting a large gift aid donation from 2020 which is due to the exceptional circumstances that have resulted from the Covid-19 pandemic. However, given we are forecasting that the long lasting effect of the pandemic will likely result in quite low gift-aid donations over the next three years, the Trustees are not expecting a large increase in the grant making as a result of the 2020 gift aid. Therefore, this will be used to fund the next three years' grant making.

**Trading fund**

The principal purpose of the trading fund is to generate and provide income to the charity through its trading subsidiaries activities. The fund represents the current balance sheet value of HSF health plan Limited and The Hospital Saturday Fund.

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2020 are represented by	Total Funds	Unrestricted funds		
		General Fund	Trading Fund	Expendable Endowment
	£	£	£	£
Tangible fixed assets	5,216,738	-	5,216,738	-
Investments	30,557,478	-	19,259,024	11,298,454
Cash at bank and in hand	11,022,798	1,166,735	3,100,767	6,755,296
Net assets	(2,076,157)	(18,317)	(2,057,840)	-
Deferred tax	(1,367,554)	-	(1,367,554)	-
<b>Total Net Assets</b>	<u>43,353,303</u>	<u>1,148,418</u>	<u>24,151,135</u>	<u>18,053,750</u>
Fund balances at 31 December 2019 are represented by	Total Funds	Unrestricted funds		
		General Fund	Trading Fund	Expendable Endowment
	£	£	£	£
Tangible fixed assets	2,762,607	-	2,762,607	-
Investments	28,452,991	-	17,144,754	11,308,237
Cash at bank and in hand	5,952,851	907,677	2,493,145	2,552,029
Net assets	(1,671,156)	(90,689)	(1,580,467)	-
Deferred tax	(500,369)	-	(500,369)	-
<b>Total Net Assets</b>	<u>34,996,924</u>	<u>816,988</u>	<u>20,319,670</u>	<u>13,860,266</u>

The Trading and Total Funds includes non-distributable reserves of £4,020,027 (2019: £2,172,990) due to inclusion of the revaluation reserve inclusion.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17. PENSION COSTS

The trading subsidiary, as the employer in the group, makes contributions to group personal pension plans. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable for the year by the trading subsidiary to the personal pension plans and amounted to £483,270 (2019: £414,057).

At the balance sheet date, there were outstanding contributions of £63,069 (2019: £24,030)

#### 18. OPERATING LEASE COMMITMENTS

At 31 December 2020, the Group had annual commitments under operating leases which expire as follows:

	2020		2019	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	4,141	81,206	24,097	93,661
In the second to fifth years inclusive	-	61,413	4,016	64,339
	<u>4,141</u>	<u>142,619</u>	<u>28,113</u>	<u>158,000</u>

#### 19. CONTINGENT LIABILITIES

No provision has been made for any levy which the trading subsidiary may be called upon to pay under the provisions of the Policyholders Protection Act 1975. The maximum amount of any such levy in respect of the current financial year would be £311,778 (2019: £311,173).

#### 20. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS

This section has been broken down in to the key natures of risk arising, these are Market, Underwriting, Counterparty Default, Operational and Insurance.

##### Market Risk

##### Key Risks

The key drivers of the charge are asset class spread and equity risks. HSF health plan's asset portfolio contains a relatively conservative mix of bonds and equities.

##### Controls

To minimise risk and secure long term growth and inflation protection a diversified spread of assets in the form of property, equities, fixed interest securities, pooled funds and bank deposits are held currently using two fund managers, three banks, and HSF itself. No derivatives, options, or stock loans are underwritten or directly held, although some pooled/hedge funds will have some exposure

##### Risk Appetite

HSF health plan's appetite for market risk is relatively medium to low. The tolerance limits for Market Risk are detailed in HSF health plan's Risk Appetite document. As at the date of this report, there are no known breaches of market risk tolerances and the business is expected to remain within appetite over the life of the business plan.

##### Underwriting Risk

##### Key Risks

- Unexpected increase in claims frequency or deterioration in reserves
- Inadequate identification of current and emerging underwriting risks
- Sustained soft market resulting in falling premium rates resulting in inadequate volume of business to support operations

##### Controls

The short-tailed nature of its liabilities offer a predictable and stable book of reserves which render a risk profile commensurate with its risk appetite. The main driver of HSF health plan's Underwriting risk is the exposure to catastrophe risk. HSF health plan has robust underwriting controls to mitigate its exposure under catastrophe risk and align it to its risk appetite and strategic business plan. Re-Insurance is used to remove all risks associated with the personal accident as a third party underwrites these risks.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 20. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS (continued)

##### Risk Appetite

As at the date of this report, there are no known breaches of underwriting risk tolerances and the business is expected to remain within appetite over the life of the business plan.

##### Counterparty Default Risk

##### Risk Capital

HSF health plan's Counterparty Default Risk (CDR) draws a capital charge of just under £0.5m, which equates to approximately 25% of its undiversified capital charge.

##### Key Risks

The main driver of the CDR is HSF health plan's cash at HSBC and Ulster Bank, which is unrated.

##### Controls

- Monthly reviews of broker balances
- Semi-annual asset allocation review

##### Risk Appetite

HSF health plan's tolerance thresholds for CDR is documented in greater detail in its Risk Appetite document. As at the date of this report, there are no known breaches of CDR risk tolerances and the business is expected to remain within appetite over the life of the business plan.

##### Operational Risk

HSF health plan's policy is to maintain an acceptable balance between the risk of operational failures, and the need to operate efficiently and prudently to ensure that contributions represent good value for money to policyholders. Appropriate precautions are taken to manage/control risk here, and compliance/internal/business audits will be undertaken from time to time on material activities and areas of potential concern. This is deemed to be adequate given the nature, scale and complexity of HSF health plan's business.

##### Sensitivity

##### Assumptions and sensitivities

The risks associated with the non-life insurance contracts are complex and subject to a number of variables, which complicate quantitative sensitivity analysis. The Company uses several statistical and actuarial techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The key methods used by the Company for estimating liabilities are expected loss ratio and benchmarking.

HSF health plan's management has considered a number of stress and scenario tests designed to provide a reasonableness check of the core-modelled results and more generally, the Risk Management Framework.

A key test was performed to determine whether losses resulting from any of the extreme events scenarios (assumed to be equal to or greater than 1 in 200 year events) would require capital holding in excess of the Solvency II Standard Formula model output; and hence whether HSF health plan would need to either increase its capital buffer or alter its modelling methodology and assumptions.

These tests are intended to be pragmatic illustrations of the major impact of an extreme adverse event or events rather than an attempt to model every possible consequence.

	Profit/Loss before tax		Accumulated Fund	
	2020	2019	2020	2019
	£	£	£	£
Before sensitivities	7,628,598	3,958,036	24,130,193	20,308,822
Reduction in business volumes by 15%	2,951,935	(709,553)	19,453,530	15,641,233
Reduction in investment market values by 25%	1,565,092	(928,153)	18,066,688	15,422,633

The conclusion from these tests was that HSF health plan currently holds adequate capital to absorb the shock from various extreme natural catastrophic events, which it is exposed to on a net basis from writing health insurance. In all the scenarios tested (which can be deemed to be extreme and fall under Reverse stress tests), HSF health plan remains solvent and fulfils obligations to its policyholders. However, if such events did occur HSF health plan would need to raise further capital, introduce reinsurance, or reduce operations.

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**20. NATURE AND EXTENT OF RISK ARISING FROM INSURANCE CONTRACTS (continued)**

**Insurance Risk**

HSF's policy is to offer no insurance policy or renewal options beyond a month or two, and to manage the benefit/contributions levels to achieve over the long term a small surplus of contributions over claims and business costs. The Company has a risk associated with the claims technical provision which is calculated based on the requirement for claims to be submitted within 6 months of the date of treatment, by using two previous year's figures analysis to produce a trend and utilise this trend to calculate the current year's provisions.

**Concentration**

The Company writes non-life insurance on a monthly renewable base. The Company's primary insurance risk exposure is pandemic risk from widespread diseases. The concentration of non-life insurance by type of contract is summarised below by reference to liabilities:

	<b>Gross claims</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Direct Insurance</b>	18,220,179	21,417,068
	18,220,179	21,417,068

**21. FINANCIAL RISK MANAGEMENT**

**Liquidity Risk – HSF health plan Limited only**

The objective of the Company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows.

The following table shows details of the expected maturity profile of the Company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance and participating investment contract liabilities. Unearned premiums are excluded from this analysis. This table includes both interest and principal cash flows.

	<b>Less than 1 month 2020</b>	<b>1-3 months 2020</b>	<b>3 months to 1 year 2020</b>	<b>1-5 years 2020</b>	<b>5+ years 2020</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other liabilities	-	-	880,475	-	-	880,475
Outstanding claims	1,318,552	883,510	346,284	-	-	2,548,346
	<u>1,318,552</u>	<u>883,510</u>	<u>1,226,759</u>	<u>-</u>	<u>-</u>	<u>3,428,821</u>
	<u><u>1,318,552</u></u>	<u><u>883,510</u></u>	<u><u>1,226,759</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,428,821</u></u>
	<b>Less than 1 month 2019</b>	<b>1-3 months 2019</b>	<b>3 months to 1 year 2019</b>	<b>1-5 years 2019</b>	<b>5+ years 2019</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other liabilities	-	-	856,920	-	-	856,920
Outstanding claims	1,668,368	627,218	210,115	-	-	2,505,701
	<u>1,668,368</u>	<u>627,218</u>	<u>1,067,035</u>	<u>-</u>	<u>-</u>	<u>3,362,621</u>
	<u><u>1,668,368</u></u>	<u><u>627,218</u></u>	<u><u>1,067,035</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,362,621</u></u>

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**21. FINANCIAL RISK MANAGEMENT (continued)**

**Credit Risk – HSF health plan Limited only**

The objective of the Company is managing its credit risk exposure is to ensure risk is managed in line with the Company's risk appetite. The Company has established policies and procedures in order to manage credit risk and methods to measure it. The Company's maximum exposure to credit risk for insurance receivables would be 15% of net premiums earned, £4,417,423 (2019: £4,519,203).

The following table shows the carrying value of assets that are neither past due or impaired and the ageing of assets that are past due but not impaired. No assets have been impaired.

<b>Credit Risk as at 31 December 2020</b>	<b>Neither past due nor impaired</b>	<b>Past due less than 30 Days</b>	<b>Past due 31 to 60 days</b>	<b>Past due 61 to 90 days</b>	<b>Past due more than 90 days</b>
	£	£	£	£	£
Insurance receivables	-	1,310,418	264,177	-	-
	-	1,310,418	264,177	-	-
	-	1,310,418	264,177	-	-
	-	1,310,418	264,177	-	-

<b>Credit Risk as at 31 December 2019</b>	<b>Neither past due nor impaired</b>	<b>Past due less than 30 Days</b>	<b>Past due 31 to 60 days</b>	<b>Past due 61 to 90 days</b>	<b>Past due more than 90 days</b>
	£	£	£	£	£
Insurance receivables	-	1,586,920	181,611	1,439	-
	-	1,586,920	181,611	1,439	-
	-	1,586,920	181,611	1,439	-
	-	1,586,920	181,611	1,439	-

**Market Risk – HSF health plan Limited only**

The Company is exposed to price risk arising from fluctuations in the value of financial instruments because of changes in market prices and the risks inherent in all investments. The Company has no significant concentration of price risk. The Company maintaining an appropriate mix of investment instruments to manage the risk.

The Company's sensitivity to a 0.5% increase and decrease in market prices is as follows:

	<b>2020</b>	<b>2019</b>
	£	£
0.5% increase		
Movement in bonds	18,796	18,746
Movement in equities	65,988	60,888
0.5% decrease		
Movement in bonds	(18,796)	(18,746)
Movement in equities	(65,988)	(60,888)

The Company's method for sensitivity to interest rate fluctuations has not changed significantly over the year.

# THE HOSPITAL SATURDAY FUND

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 21. FINANCIAL RISK MANAGEMENT (continued)

##### Fair Value

##### i. Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in FRS 102 para 34.22, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair value measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair value measured using valuation techniques in which any significant input is not based on observable market data

	Level 1 £	Level 2 £	Level 3 £	The Company Total £
Available-for-sale equity securities	30,557,478	-	-	30,557,478

The carrying amounts of the financial instruments carried at cost or amortised cost approximate to their fair value mainly because of the short maturity of those instruments.

#### 22. CAPITAL MANAGEMENT

The objective of the Company in managing its capital requirements is to ensure that it will be able to continue as a going concern and comply with the regulators' capital requirements of the markets in which the Company operates, while maximising the return to HSF health plan Ltd through the optimising of the capital. The capital structure of the Company consists of reserves.

The Company was in compliance with capital requirements imposed by the regulators throughout the financial year.

The capital requirement of the Company is determined by its exposure to risk and the solvency criteria established by management and statutory regulations. The table below sets out the statutory minimum capital requirement and the Company's available capital.

	2020 £	2019 £
Statutory minimum capital requirement	2,626,250	2,652,000
Total available capital resources	24,130,193	20,308,822
Solvency Cover %	919%	766%

#### 23. RELATED PARTY TRANSACTIONS

No trustee or other person related to the charity had any personal interest in any contract or transaction entered by the charity during the year (2019: £Nil).

The charity received Gift Aid donations during the year from its trading subsidiaries totalling £5,594,802 (2019: £1,469,690).

**THE HOSPITAL SATURDAY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**24. GOVERNMENT GRANTS**

The company received government grants totalling £235,222 in the year (2019: Nil) from the Coronavirus Job Retention Scheme. There are no unfulfilled conditions or other contingencies attaching to the grants received from government sources.

**25. POST BALANCE SHEET EVENTS**

In January 2021 the charity completed the setup of a Maltese subsidiary, HSF health plan (Malta) Ltd. The subsidiary has been established to expand the marketing of health cash plans in Malta and in February 2021 the new company received its insurance licence from the Maltese Financial Services Authority.