

MSC ASSESSMENT

England & Wales · Charity number 1153045

Details

Status	Registered
Legal form	Charitable company
Company number	08578576
Registered	2013-07-23
Register	View on the Charity Commission register

Contact

Address Msc Assessment
Woburn House
20-24 Tavistock Square
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WC1H 9HD

Phone 02074195494

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Activities

Objects: THE OBJECTS OF THE CHARITY ARE TO ADVANCE MEDICAL EDUCATION FOR THE BENEFIT OF THE PUBLIC INCLUDING, WITHOUT LIMITATION, BY THE PREPARATION, VALIDATION, ACCREDITATION, CONDUCT AND ADMINISTRATION OF ANY TESTS, EXAMINATIONS OR OTHER SYSTEMS OF ASSESSING, EVALUATING AND RECORDING ANY ASPECT OF MEDICAL EDUCATION AND TRAINING.

Activities: The Objects of the Charity are to advance medical education for the benefit of the public including, without limitation, by the preparation, validation, accreditation, conduct and administration of any tests, examinations or other systems of assessing, evaluating and recording any aspect of medical education and training.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£200,950	£207,102	-	-
2024-07-31	£203,340	£245,603	-	-
2023-07-31	£291,130	£264,491	-	-
2022-07-31	£498,399	£453,133	-	-
2021-07-31	£512,921	£471,404	£623,088	4
2020-07-31	£840,290	£1,115,300	£581,571	6

Trustees

Name	Role	Appointed
PROFESSOR Malcolm Reed	Chair	2018-05-01
Dr Amir Sam		2022-08-01
Dr Rachel Jane Westacott		2021-03-04
Professor David Kluth		2021-08-01
Professor Kate Thomas		2018-04-27
Professor Mark Gurnell		2018-04-01

MSC ASSESSMENT

England & Wales - Charity number 1153045

Accounts

Charity Number: 1153045

Company Number: 8578576

MSC ASSESSMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2025

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Trustees' report

The trustees, who are also the directors of the charity for the purposes of the Companies Act, present their report and financial statements for MSC Assessment for the year ended 31 July 2025. This report is also the directors' report for the purposes of the Companies Act and includes the elements of the strategic report.

Objects and activities for the public benefit

The object of the charity is to advance medical education for the benefit of the public including, without limitation, by the preparation, validation, accreditation, conduct and administration of any tests, examinations or other systems of assessing, evaluating and recording any aspect of medical education and training.

Mission

MSC Assessment's mission is to develop and deliver, for ultimate patient benefit, assessments of the highest quality and to conduct research to develop the evidence base.

Public Benefit

All MSC Assessment's activities are ultimately carried out for the wider public benefit of ensuring that trainee doctors are suitably qualified through appropriate training and assessment.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. In the delivery of its services and activities MSC Assessment has fully supported its members, and in so doing assisted them to achieve their goals. The service delivered is the development of high quality exam questions for the Prescribing Safety Assessment (PSA) and for the assessments used in medical school exams in the UK. MSC Assessment also invests in the creation of a platform to create and quality assure the items, to construct exam papers and to deliver the assessments remotely on agreed dates and at specific locations across the UK and to UK campuses overseas. MSC Assessment undertakes analysis of the performance of the individual items in order to optimise the quality of future exams. It conducts research to ensure assessment has a sound evidence base.

Collectively, the institutions led by the members of MSC Assessment demonstrate their wide social and economic contribution through the delivery of research, teaching, assessment, expertise and training. Medicine in the UK is unique in proactively taking steps to assure a minimum competence level and equivalence of passing standards. Higher education is available to all with the ability to benefit, regardless of their economic circumstances. The benefits of this activity to the UK are considerable.

Aims

The strategic aim of MSC Assessment is to ensure that international best practice is followed in the development and delivery of assessments of the highest quality. The purpose of this is not only to ensure that students are assessed fairly but also that patient safety is protected by confirming equivalence of standards across medical schools.

Activities to meet these aims in 2024–25

MSC Assessment carries out exam development and delivery.

MSC Assessment took on the assessment activities, assets and liabilities from MSC in January 2014 as a going concern, and in consideration for this MSC transferred to MSC Assessment the intellectual property, goodwill and cash-in-hand held by MSC in relation to the delivery of Situational Judgement tests (SJT) pursuant to the existing MoU with Health Education England (HEE). Subsequently, annual contracts were signed between MSC Assessment and HEE, but Trustees agreed they did not wish to bid for the contract to deliver the Situational Judgement Test (SJT) online from 2020 and so on 31 March 2020 the contract terminated. However MSC Assessment was successful in agreeing a licence with HEE to provide the SJT items (in which it holds the copyright) for a period of four years in exchange for an

Trustees' report

annual fee. A fee was also agreed for the production of Educational performance measures until 2022–23. This arrangement ended in 2023. A decision was also taken by the 4 UK Statutory Education Authorities to cease using the EPM and SJT in the allocation of F1 places to applicants to the NHS's Foundation Programme. A system of Preference Informed Allocation (PIA) was used in 2024. PIA resulted in more applicants receiving their 1st or 2nd choice Foundation School, however it did also mean that more UK students were placed on the reserve list. MSC has received legal advice that it would be lawful for UK graduates to be prioritised in the allocation process. In July 2025 the Government published *Fit for the Future a 10 year plan*, and indicated that it favoured such prioritisation.

MSC Assessment also works with the British Pharmacological Society to deliver a Prescribing Safety Assessment which seeks to enhance patient safety by assessing the prescribing skills of new doctors in the NHS.

Achievements and performance in 2024–25

MSC continues to work closely with the British Pharmacological Society to deliver the Prescribing Safety Assessment (PSA). All sittings of the 2024–25 PSA took place successfully and the results were released to candidates in a timely manner. With the first live delivery of the Medical Licensing Assessment it has become clear that there is some duplication of content between the MLA and PSA and so work will take place in 2025–26 to identify possible changes to the PSA,

Medical Licensing Assessment

Both MSC and MSC Assessment have been closely involved in a range of activities to take forward the GMC's original proposal for a Medical Licensing Assessment (MLA). In order to ensure compatibility with university governance arrangements, the original GMC proposal was modified so that construction of the assessment, standard setting and delivery would be undertaken through the collaboration of all UK medical schools and the process would be regulated by the GMC. The first live sittings took place successfully in 2024–25.

Over the course of 2022–23, legal advice was taken which concluded that MSC rather than MSC Assessment would be the body ultimately responsible for the MLA's Applied Knowledge Test which has replaced the written component of Finals in all UK universities with medical schools. MSC Assessment processes personal data on behalf of MSC for the delivery of the AKT (for example, by providing the Platform through which the exam is taken). In 2024 MSC put in place a data processing agreement with MSC Assessment, to govern MSC Assessment's processing in connection with delivering the AKT.

MSC Assessment also continues its non-MLA related activities – for example writing questions for the earlier years of medical school as well as for final years and undertaking research to support assessment activities. It continues to work with BPS on the Prescribing Safety Assessment.

Financial Review

The statement of financial activities for the year is set out on page 10 and the balance sheet on page 11 of the financial statements. A summary of the financial results and position is given below.

	Total 2025 £'000	Total 2024 £'000
Income	201	203
Expenditure	(207)	(245)
Deficit and net movement in funds	(6)	(42)
Funds brought forward	653	695
Funds carried forward	647	653

Trustees' report

Reserves Policy

The policy is to ensure that sufficient funds are available to meet current commitments, and any exceptional expenditure and to develop plans to scale up as plans evolve to deliver the UK Medical Licensing Assessment

Total funds at 31 July 2025 were £646,578 (2024: £652,730), and these funds are all available for application and so represent the free reserves balance. This is equal to 37 months of expenditure (2024: 32 months). The trustees are satisfied that reserves levels are in line with the policy of holding reserves to meet planned commitments.

Future Plans

The Medical Licensing Assessment went live in June 2024 for schools which take written Finals in the penultimate year. In 2024–25 the Applied Knowledge Test replaced finals in all UK medical schools. The work of the MSC Assessment Alliance continues – with plans in place to produce a series of peer reviewed publications describing the genesis of the assessment and the work involved in implementing this important national assessment. Further investments are also be made in the delivery platform. Partnership working with the British Pharmacological Society continues.

Structure, governance and management

The name of the charity (charity registration no. 1153045), which is a company limited by guarantee (company no. 8578576) is MSC Assessment.

Member

The sole member of MSC Assessment is the Medical Schools Council.

Organisation

MSC Assessment is a company limited by guarantee. It was registered in England and Wales on 20 June 2013 and began trading on 1 February 2014. The governing document of the organisation is the Articles of Association adopted in June 2013. It was registered with the Charity Commission as a charity on 23 July 2013 and was registered with the Information Commissioner's office on 26 February 2014.

The Chief Executive leads a team comprising a policy and projects adviser, a part-time senior policy officer and a team administrator.

Governance and decision-making

The trustees are all nationally renowned clinical academics. The Chair is the immediate past Chair of the Medical Schools Council. Another is the Chair of the MSC Assessment Alliance Advisory Board. Four trustees have to be currently active in MSC assessment activities and are recommended by their peers to fill any gaps as Trustees come to the end of their terms of office. Three terms of three years are permitted. Four trustees also sit on the PSA Executive Committee, the group which oversees the development and delivery of the Prescribing Safety Assessment. The trustees meet at least twice a year.

Induction and training of trustees

New trustees receive information supporting their induction which includes the provision of a mentor and an extended briefing session with the Chief Executive. The organisation updates trustees and members on any new information that may affect the governance of the charity and offers ongoing support through additional training when required.

Arrangements for setting pay and remuneration of key management

Member support for the work of MSC Assessment is on a non-remunerated basis.

The pay and remuneration of the Chief Executive, the key senior executive manager, who is also Chief Executive of the Medical Schools Council, is set by the Executive Committee of the Medical Schools

Trustees' report

Council in consultation with Universities UK. A time-based proportion of her salary is recharged to MSC Assessment.

Executive management

The Chief Executive leads a permanent Medical Schools Council team of policy advisers and officers, communications officers and a data scientist. A time-based proportion of salaries is recharged to MSC Assessment. Details of recharged staff costs and numbers are given in note 5 to the financial statements.

Principal risks and uncertainties

MSC Assessment has a detailed risk management strategy which is updated quarterly. The key risks include:

- Unforeseen changes at the company which developed the Exam-Write platform on which the AKT is delivered.
- The need to prevent access to AI systems during the delivery of the assessment
- Cheating by students
- Sub-optimal engagement from medical schools
- Loss of questions
- Security breach compromises exam
- Volume of work exceeds staff available
- Governance issues with the PSA

These risks are managed by ensuring that staff and stakeholders are actively engaged in all aspects of policy development and execution and that the use of a lock-down browser is obligatory.

Political and Charitable Donations

The company made no political or charitable donations in the year.

Funding Sources

Income comes from subscriptions raised from members to permit access to the item bank. MSC Assessment does not fundraise from the public.

Reference and administrative information

Trustees

The members of the MSC Assessment Board (directors and trustees of the company) appointed for the year ended 31 July 2025 were as follows:

Professor Malcolm Reed (Chair)

Professor Mark Gurnell

Prof David Kluth

Professor Amir Sam

Professor Kate Thomas

Professor Val Wass

Dr Rachel Westacott

No member of the MSC Assessment Board had a beneficial interest in any contract with the charity.

Trustees' report

Chief Executive and Company Secretary:

Dr Katie Petty-Saphon

Registered Office

Woburn House
20 Tavistock Square
London
WC1H 9HD

Bankers

National Westminster Bank plc
214 High Holborn
London
WC1V 7BF

Solicitors

Womble Bond Dickinson
4 More London Riverside
London
SE1 2AU

Auditors

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

Trustees' report

Statement of Trustees' Responsibilities

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

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing 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 judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Audit Information

So far as each of the trustees at the time the Trustees' Report is approved is aware:

- there is no relevant information of which the auditors are unaware; and
- they have taken all relevant steps 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.

Auditor

A scheduled review of audit provision will take place in the coming year.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



Katie Petty-Saphon
Chief Executive
18 November 2025



Professor Malcolm Reed
Chair
18 November 2025

Independent auditor's report to the members of MSC Assessment

Opinion

We have audited the financial statements of MSC Assessment for the year ended 31 July 2025 which comprise Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2025 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members of MSC Assessment

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 Trustees' Report (which includes 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 directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report to the members of MSC Assessment

respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and considered other factors such as sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to income and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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.

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

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.



Thomas Wilson, Senior Statutory Auditor
For and on behalf of HaysMac LLP, Statutory
Auditor Date: 27th November 2025

10 Queen Street Place
London
EC4R 1AG

Statement of Financial Activities for the year ended 31 July 2025

Income and expenditure	Notes	Unrestricted Funds 2025 £	Unrestricted Funds 2024 £
Income from:			
Income from charitable activities			
. Subscriptions from membership		191,000	196,000
. Other income		9,950	7,340
Total income		200,950	203,340
Expenditure on:			
Charitable activities			
Exam activities	2	207,102	245,603
Total expenditure		207,102	245,603
Net expenditure		(6,152)	(42,263)
Gross transfers between funds		—	—
Net movements in funds		(6,152)	(42,263)
Total funds at 1 August 2024		652,730	694,993
Total funds at 31 July 2025	9	646,578	652,730

All activities are continuing and all funds are unrestricted. There are no gains or losses other than those disclosed in the statement of financial activities.

The notes on pages 13 to 17 form part of these financial statements.

Balance sheet as at 31 July 2025

	Notes	2025 £	2024 £
Current assets			
Debtors	7	14,486	56,660
Cash at bank and in hand		661,131	661,790
		<u>675,617</u>	<u>718,450</u>
Current liabilities: amounts falling due within one year			
	8	(29,039)	(65,720)
Net current assets		<u>646,578</u>	<u>652,730</u>
Net assets		<u>646,578</u>	<u>652,730</u>
Funds and reserves			
Unrestricted funds	9	<u>646,578</u>	<u>652,730</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

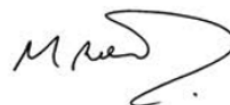
Approved by the Board of Directors and authorised for issue on 18 November 2025.

Signed on their behalf:



Katie Petty-Saphon

Chief Executive



Professor Malcom Reed

Chair

Company Number: 8578576

The notes on pages 13 to 17 form part of these financial statements

Cash flow statement – year ended 31 July 2025

	2025 £	2024 £
(a) Reconciliation of net income to net cash flow from operating activities		
Net expenditure for the year	(6,152)	(42,263)
Decrease in debtors	42,174	73,540
(Decrease)/increase in creditors	(36,681)	40,491
Net cash used in operating activities	(659)	71,762
(b) Statement of cash flows		
Cash flows from operating activities	(659)	71,762
Net cash used in investing activities	(659)	71,762
Change in cash and cash equivalents in the year	(659)	71,762
Cash and cash equivalents at 1 August	661,790	590,028
Cash and cash equivalents at 31 July	661,131	661,790

Analysis of changes in net funds:

	At 1 August 2024 £	Cash flows £	At 31 July 2025 £
Cash	661,790	(659)	661,131
Total net funds	661,790	(659)	661,131

Notes to the financial statements – year ended 31 July 2025

1. Accounting policies

a. Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is incorporated in the UK and is public benefit entity as defined by FRS 102.

b. Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The Trustees have reviewed financial position, reserves levels and future plans and this has given the Trustees confidence that the charity remains a going concern into the future.

c. Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

d. Income

All income (including government grants) is included in the statement of financial activities when there is evidence of entitlement to the income, receipt is probable and its amount can be measured reliably.

e. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributable to a particular heading, they have been allocated to activities on a basis consistent with the use of the resource.

Direct costs, including directly attributable salaries, are allocated on the basis of time to the key strategic areas of activity.

Overheads and other salaries are allocated between activities on the bases of usage, i.e. the same basis as expenditure incurred directly in undertaking the activity.

Governance costs are those incurred in connection with management of MSC Assessment's assets, the organisation's administration and compliance with constitutional and statutory requirements.

f. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation as a result of a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

g. Debtors

Short term debtors are measured at transaction price, less any impairment.

h. Employee benefits

Staff are employed by Universities UK and costs recharged to MSC Assessment. Detail of pension schemes and employee benefits are available in the financial statements of Universities UK.

Notes to the financial statements – year ended 31 July 2025

2. Analysis of total resources expended

	Direct costs £	Support costs £	Total 2025 £
Charitable activities:			
Exam activities	<u>172,220</u>	<u>34,882</u>	<u>207,102</u>

	Direct costs £	Support costs £	Total 2024 £
Charitable activities:			
Exam activities	<u>207,381</u>	<u>38,222</u>	<u>245,603</u>

3. Support costs allocations

	Premises costs £	Governance costs £	Finance / IT costs £	Office/Admin costs £	Total 2025 £
Charitable activities:					
Exam activities	<u>8,062</u>	<u>9,432</u>	<u>16,374</u>	<u>1,014</u>	<u>34,882</u>

	Premises costs £	Governance costs £	Finance / IT costs £	Office/Admin costs £	Total 2024 £
Charitable activities:					
Exam activities	<u>12,188</u>	<u>9,105</u>	<u>15,906</u>	<u>1,023</u>	<u>38,222</u>

Support costs allocations

Governance costs comprise:

	Total 2025 £	Total 2024 £
External audit	5,580	5,280
Staff cost allocation	<u>3,851</u>	<u>3,825</u>
	<u>9,431</u>	<u>9,105</u>

Other direct costs include:

	Total 2025 £	Total 2024 £
Auditors' remuneration:		
Audit services	<u>5,580</u>	<u>5,280</u>

Notes to the financial statements – year ended 31 July 2025

4. Staff

Total staff costs including full and part time employees were:

	Total 2025	Total 2024
	£	£
Wages and salaries	105,722	123,926
Social security costs	12,752	13,668
Pensions	23,361	30,063
	<u>141,835</u>	<u>167,657</u>

The average number of employees throughout the period was:

	Total 2025	Total 2024
	£	£
Charitable staff	2.2	2.7
Support staff	0.2	0.2
	<u>2.9</u>	<u>2.9</u>

MSC Assessment has no full-time staff and draws on members of the Medical School Council's team in different proportions. Information regarding employees whose emoluments exceeded £60,000 is disclosed in the financial statements of the parent charity, the Medical Schools Council.

5. Trustees' emoluments and emoluments of other senior key personnel

During the year no travel or accommodation expenses were reimbursed to trustees (2024: nil).

One Trustee was employed by Universities UK as an Academic Applied Knowledge Test Lead and costs were reimbursed by the Medical Schools Council. Costs including pension contributions and employers' national insurance were £27,741 (2024: £27,391).

The total employee benefits of the Chief Executive who is considered to be key management personnel (in addition to trustees) is disclosed in the financial statements of the parent charity, the Medical Schools Council.

6. Taxation

The charity is exempt from corporation tax under sections 466-497 of the Corporation Taxes Act 2010 as all its income is applied for charitable purposes.

Notes to the financial statements – year ended 31 July 2025

7. Debtors

	Total 2025 £	Total 2024 £
Trade debtors	13,063	54,372
Prepayments and accrued income	1,423	2,288
	<u>14,486</u>	<u>56,660</u>

8. Creditors: amounts falling due within one year

	Total 2025 £	Total 2024 £
Trade creditors	21,282	59,390
Accruals and deferred income	7,757	6,330
	<u>29,039</u>	<u>65,720</u>

9. Movement in funds

	At 1 August 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 July 2025 £
Unrestricted funds					
Total funds	<u>652,730</u>	<u>200,950</u>	<u>(207,102)</u>	<u>—</u>	<u>646,578</u>

There were no restricted funds in either the current or prior year.

Notes to the financial statements – year ended 31 July 2025

10. Pension

Staff are employed by Universities UK and costs recharged to MSC Assessment. Universities UK participates in two pension schemes: the Universities Superannuation Scheme (USS), and the Superannuation Arrangements of the University of London (SAUL). Further details of these schemes are available in the financial statements of Universities UK.

11. Related party transactions

The charitable company has taken advantage of the exemption available in section 33 of FRS102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group. Universities UK is the ultimate parent company and the results of the Medical Schools Council and MSC Assessment have been consolidated into the financial statements of Universities UK.

The mission of Universities UK is to create the conditions for UK universities to be the best in the world, maximising their positive impact locally, nationally and globally. Services and activities include research and policy development, lobbying of government and influential stakeholders, dissemination of information to members and the wider public using all forms of media, conferences and events, and national and international networking activity.

The charitable company had no other related party transactions for the period.

12. Members

The charity is incorporated as a private company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 July 2025 there was one member, the Medical Schools Council.

MSC ASSESSMENT

England & Wales - Charity number 1153045

Accounts

Charity Number: 1153045

Company Number: 8578576

MSC ASSESSMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2024

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Trustees' report

The trustees, who are also the directors of the charity for the purposes of the Companies Act, present their report and financial statements for MSC Assessment for the year ended 31 July 2024. This report is also the directors' report for the purposes of the Companies Act and includes the elements of the strategic report.

Objects and activities for the public benefit

The object of the charity is to advance medical education for the benefit of the public including, without limitation, by the preparation, validation, accreditation, conduct and administration of any tests, examinations or other systems of assessing, evaluating and recording any aspect of medical education and training.

Mission

MSC Assessment's mission is to develop and deliver, for ultimate patient benefit, assessments of the highest quality and to conduct research to develop the evidence base.

Public Benefit

All MSC Assessment's activities are ultimately carried out for the wider public benefit of ensuring that trainee doctors are suitably qualified through appropriate training and assessment.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. In the delivery of its services and activities MSC Assessment has fully supported its members, and in so doing assisted them to achieve their goals. The service delivered is the development of high quality exam questions for the Prescribing Safety Assessment (PSA) and for the assessments used in medical school exams in the UK. MSC Assessment also invests in the creation of a platform to create and quality assure the items, to construct exam papers and to deliver the assessments remotely on agreed dates and at specific locations across the UK and to UK campuses overseas. MSC Assessment undertakes analysis of the performance of the individual items in order to optimise the quality of future exams. It conducts research to ensure assessment has a sound evidence base.

Collectively, the institutions led by the members of MSC Assessment demonstrate their wide social and economic contribution through the delivery of research, teaching, assessment, expertise and training. Medicine in the UK is unique in proactively taking steps to assure a minimum competence level and equivalence of passing standards. Higher education is available to all with the ability to benefit, regardless of their economic circumstances. The benefits of this activity to the UK are considerable.

Aims

The strategic aim of MSC Assessment is to ensure that international best practice is followed in the development and delivery of assessments of the highest quality. The purpose of this is not only to ensure that students are assessed fairly but also that patient safety is protected by confirming equivalence of standards across medical schools.

Activities to meet these aims in 2023–24

MSC Assessment carries out exam development and delivery.

MSC Assessment took on the assessment activities, assets and liabilities from MSC in January 2014 as a going concern, and in consideration for this MSC transferred to MSC Assessment the intellectual property, goodwill and cash-in-hand held by MSC in relation to the delivery of Situational Judgement tests (SJT) pursuant to the existing MoU with Health Education England (HEE). Subsequently, annual contracts were signed between MSC Assessment and HEE, but Trustees agreed they did not wish to bid for the contract to deliver the Situational Judgement Test (SJT) online from 2020 and so on 31 March 2020 the contract terminated. However MSC Assessment was successful in agreeing a licence with HEE to provide the SJT items (in which it holds the copyright) for a period of four years in exchange for an

Trustees' report

annual fee. A fee was also agreed for the production of Educational performance measures until 2022–23. This arrangement ended in 2023. A decision was also taken by the 4 UK Statutory Education Authorities to cease using the EPM and SJT in the allocation of F1 places to applicants to the NHS's Foundation Programme. A system of Preference Informed Allocation (PIA) was used in 2024. PIA resulted in more applicants receiving their 1st or 2nd choice Foundation School, however it did also mean that more UK students were placed on the reserve list. MSC has received legal advice that it would be lawful for UK graduates to be prioritised in the allocation process. UK MERG is the group that will take the decision around this.

In 2023–24 the existing interview process was used for applicants to the Specialised Foundation Programme (SFP). The clinical research community felt very strongly that a selection process should continue to be used for SFPs. A proposal has been drafted and it is hoped that a decision will be taken by August 2024.

MSC Assessment also works with the British Pharmacological Society to deliver a Prescribing Safety Assessment which seeks to enhance patient safety by assessing the prescribing skills of new doctors in the NHS.

Achievements and performance in 2023–24

MSC continues to work closely with the British Pharmacological Society to deliver the Prescribing Safety Assessment (PSA). All sittings of the 2023–24 PSA took place successfully and the results were released to candidates in a timely manner.

The incidents around collusion in the PSA discovered in 2021 resulted in checks for collusion being run after every sitting of the PSA from 2022. There were no incidents in 2023–24.

The collusion issue had also highlighted governance issues around responsibility for the Foundation year and for the PSA itself. The Trustees in collaboration with the British Pharmacological Society therefore commissioned an independent review of the PSA. Chaired by Professor Dame Jane Dacre the group reported in March 2023. Its recommendations were reported in last year's Annual Report. Agreement could not be reached on the Recommendation that the PSA be incorporated in the MLA. A short questionnaire was circulated to MSC members, half of whom stated that they would not incorporate the PSA as a summative assessment within their own school's finals. It was agreed that further work needed to be undertaken to understand the overlap between the PSA and the MLA. This will take place in 2024–25.

Medical Licensing Assessment

Both MSC and MSC Assessment have been closely involved in a range of activities to take forward the GMC's original proposal for a Medical Licensing Assessment (MLA). In order to ensure compatibility with university governance arrangements, the original proposal was modified.

Over the course of 2022–23, legal advice was taken which concluded that MSC rather than MSC Assessment would be the body ultimately responsible for the MLA's Applied Knowledge Test which will replace the written component of Finals in all UK universities with medical schools. MSC Assessment will be processing personal data on behalf of MSC for the delivery of the AKT (for example, by providing the Platform through which the exam is taken).

In 2024 MSC put in place a data processing agreement with MSC Assessment, to govern MSC Assessment's processing in connection with delivering the AKT. June 2024 also saw the first live delivery of the MLA's Applied Knowledge test to those schools which take written Finals in their penultimate year.

Trustees' report

MSC Assessment also continues its non-MLA related activities – for example writing questions for the earlier years of medical school as well as for final years and undertaking research to support assessment activities. It continues to work with BPS on the Prescribing Safety Assessment.

Financial Review

The statement of financial activities for the year is set out on page 10 and the balance sheet on page 11 of the financial statements. A summary of the financial results and position is given below.

	Total 2024 £'000	Total 2023 £'000
Income	203	291
Expenditure	(245)	(264)
Surplus and net movement in funds	(42)	27
Funds brought forward	695	668
Funds carried forward	653	695

Reserves Policy

The policy is to ensure that sufficient funds are available to meet current commitments, and any exceptional expenditure and to develop plans to scale up as plans evolve to deliver the UK Medical Licensing Assessment

Total funds at 31 July 2024 were £652,730 (2023: £694,993), and these funds are all available for application and so represent the free reserves balance. This is equal to 32 months of expenditure (2023: 32 months). The trustees are satisfied that reserves levels are in line with the policy of holding reserves to meet planned commitments.

Future Plans

The Medical Licensing Assessment went live in June 2024 for schools which take written Finals in the penultimate year. A final pilot round also occurred in 2024 for schools going live in 2025. The work of the Assessment Alliance will continue - in particular its research role. Further investments will be made in the delivery platform. Partnership working with the British Pharmacological Society will continue.

Structure, governance and management

The name of the charity (charity registration no. 1153045), which is a company limited by guarantee (company no. 8578576) is MSC Assessment.

Member

The sole member of MSC Assessment is the Medical Schools Council.

Organisation

MSC Assessment is a company limited by guarantee. It was registered in England and Wales on 20 June 2013 and began trading on 1 February 2014. The governing document of the organisation is the Articles of Association adopted in June 2013. It was registered with the Charity Commission as a charity on 23 July 2013 and was registered with the Information Commissioner's office on 26 February 2014.

The Chief Executive leads a team comprising a policy and projects adviser, a part-time senior policy officer and a team administrator.

Trustees' report

Governance and decision-making

The trustees are all nationally renowned clinical academics. The Chair is the immediate past Chair of the Medical Schools Council. Another is the Chair of the MSC Assessment Alliance Advisory Board. Four trustees have to be currently active in MSC assessment activities and are recommended by their peers to fill any gaps as Trustees come to the end of their terms of office. Three terms of three years are permitted. Four trustees also sit on the PSA Executive Committee, the group which oversees the development and delivery of the Prescribing Safety Assessment. The trustees meet at least twice a year.

Induction and training of trustees

New trustees receive information supporting their induction which includes the provision of a mentor and an extended briefing session with the Chief Executive. The organisation updates trustees and members on any new information that may affect the governance of the charity and offers ongoing support through additional training when required.

Arrangements for setting pay and remuneration of key management

Member support for the work of MSC Assessment is on a non-remunerated basis.

The pay and remuneration of the Chief Executive, the key senior executive manager, who is also Chief Executive of the Medical Schools Council, is set by the Executive Committee of the Medical Schools Council in consultation with Universities UK. A time-based proportion of her salary is recharged to MSC Assessment.

Executive management

The Chief Executive leads a permanent Medical Schools Council team of policy advisers and officers, communications officers and a data scientist. A time-based proportion of salaries is recharged to MSC Assessment. Details of recharged staff costs and numbers are given in note 5 to the financial statements.

Principal risks and uncertainties

MSC Assessment has a detailed risk management strategy which is updated quarterly. The key risks include:

- The emergence of ChatGPT and its ability to answer exam questions at the level of Final year medical students
- Cheating by students
- Sub-optimal engagement from medical schools
- Loss of questions
- Security breach compromises exam
- Volume of work exceeds staff available
- Governance issues with the PSA

These risks are managed by ensuring that staff and stakeholders are actively engaged in all aspects of policy development and execution.

Political and Charitable Donations

The company made no political or charitable donations in the year.

Funding Sources

Income comes from subscriptions raised from members to permit access to the item bank and from licences to other organisations to use items in which MSC Assessment holds the copyright. MSC Assessment does not fundraise from the public.

Trustees' report

Reference and administrative information

Trustees

The members of the MSC Assessment Board (directors and trustees of the company) appointed for the year ended 31 July 2024 were as follows:

Professor Malcolm Reed (Chair)	To 31 July 2025
Professor Mark Gurnell	
Prof David Kluth	
Professor Amir Sam	
Professor Kate Thomas	
Professor Val Wass	
Dr Rachel Westacott	

No member of the MSC Assessment Board had a beneficial interest in any contract with the charity.

Chief Executive and Company Secretary:

Dr Katie Petty-Saphon

Registered Office

Woburn House
20 Tavistock Square
London
WC1H 9HD

Bankers

National Westminster Bank plc
214 High Holborn
London
WC1H 9XA

Solicitors

Womble Bond Dickinson
4 More London Riverside
London
SE1 2AU

Auditors

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

Trustees' report

Statement of Trustees' Responsibilities

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

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing 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 judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Audit Information

So far as each of the trustees at the time the Trustees' Report is approved is aware:

- there is no relevant information of which the auditors are unaware; and
- they have taken all relevant steps 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.

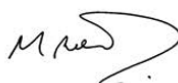
Auditor

A scheduled review of audit provision will take place in the coming year.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



Katie Petty-Saphon
Chief Executive
18 November 2024



Professor Malcolm Reed
Chair
18 November 2024

Independent auditor's report to the members of MSC Assessment

Opinion

We have audited the financial statements of MSC Assessment for the year ended 31 July 2024 which comprise Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2024 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members of MSC Assessment

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 Trustees' Report (which includes 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 directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report to the members of MSC Assessment

respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and considered other factors such as sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to income and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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.

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

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.



Thomas Wilson, Senior Statutory Auditor
For and on behalf of HaysMac LLP, Statutory Auditor
Date: 19 November 2024

10 Queen Street Place
London
EC4R 1AG

Statement of Financial Activities for the year ended 31 July 2024

		Unrestricted Funds 2024 £	Unrestricted Funds 2023 £
Income and expenditure	Notes		
Income from:			
Income from charitable activities			
. Subscriptions from membership		196,000	221,000
. Grants and contracts	2	—	70,130
. Other income		7,340	—
Total income		<u>203,340</u>	<u>291,130</u>
Expenditure on:			
Charitable activities			
Exam activities	3	245,603	264,491
Total expenditure		<u>245,603</u>	<u>264,491</u>
Net expenditure		<u>(42,263)</u>	<u>26,639</u>
Gross transfers between funds		—	—
Net movements in funds		<u>(42,263)</u>	<u>26,639</u>
Total funds at 1 August 2023		<u>694,993</u>	<u>668,354</u>
Total funds at 31 July 2024	10	<u>652,730</u>	<u>694,993</u>

All activities are continuing and all funds are unrestricted. There are no gains or losses other than those disclosed in the statement of financial activities.

The notes on pages 13 to 17 form part of these financial statements.

Balance sheet as at 31 July 2024

	Notes	2024 £	2023 £
Current assets			
Debtors	8	56,660	130,194
Cash at bank and in hand		661,790	590,028
		<u>718,450</u>	<u>720,222</u>
Current liabilities: amounts falling due within one year			
	9	(65,720)	(25,229)
Net current assets		<u>652,730</u>	<u>694,993</u>
Net assets		<u>652,730</u>	<u>694,993</u>
Funds and reserves			
Unrestricted funds	10	<u>652,730</u>	<u>694,993</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board of Directors and authorised for issue on 18 November 2024.

Signed on their behalf:



Katie Petty-Saphon

Chief Executive



Professor Malcom Reed

Chair

Company Number: 8578576

The notes on pages 13 to 17 form part of these financial statements

Cash flow statement – year ended 31 July 2024

	2024 £	2023 £
(a) Reconciliation of net income to net cash flow from operating activities		
Net income for the year	(42,263)	26,639
Decrease / (increase) in debtors	73,534	(126,980)
Increase / (decrease) in creditors	40,491	(48,477)
Net cash used in operating activities	71,762	(148,818)
(b) Statement of cash flows		
Cash flows from operating activities	71,762	(148,818)
Net cash used in investing activities	71,762	(148,818)
Change in cash and cash equivalents in the year	71,762	(148,818)
Cash and cash equivalents at 1 August	590,028	738,846
Cash and cash equivalents at 31 July	661,790	590,028

Analysis of changes in net funds:

	At 1 August 2023 £	Cash flows £	At 31 July 2024 £
Cash	590,028	71,762	661,790
Total net funds	590,028	71,762	661,790

Notes to the financial statements – year ended 31 July 2024

1. Accounting policies

a. Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is incorporated in the UK and is public benefit entity as defined by FRS 102.

b. Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The Trustees have reviewed financial position, reserves levels and future plans and this has given the Trustees confidence that the charity remains a going concern into the future.

c. Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

d. Income

All income (including government grants) is included in the statement of financial activities when there is evidence of entitlement to the income, receipt is probable and its amount can be measured reliably.

e. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributable to a particular heading, they have been allocated to activities on a basis consistent with the use of the resource.

Direct costs, including directly attributable salaries, are allocated on the basis of time to the key strategic areas of activity.

Overheads and other salaries are allocated between activities on the bases of usage, i.e. the same basis as expenditure incurred directly in undertaking the activity.

Governance costs are those incurred in connection with management of MSC Assessment's assets, the organisation's administration and compliance with constitutional and statutory requirements.

f. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation as a result of a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

g. Debtors

Short term debtors are measured at transaction price, less any impairment.

h. Employee benefits

Staff are employed by Universities UK and costs recharged to MSC Assessment. Detail of pension schemes and employee benefits are available in the financial statements of Universities UK.

Notes to the financial statements – year ended 31 July 2024

2. Grants and contracts

	Total 2024 £	Total 2023 £
Health Education England*	—	70,130
	<u>—</u>	<u>70,130</u>

* Grants and contracts from government and government agencies

3. Analysis of total resources expended

	Direct costs £	Support costs £	Total 2024 £
Charitable activities:			
Exam activities	207,381	38,222	245,603

	Direct costs £	Support costs £	Total 2023 £
Charitable activities:			
Exam activities	216,193	48,298	264,491

4. Support costs allocations

	Premises costs £	Governance costs £	Finance / IT costs £	Office/Admin costs £	Total 2024 £
Charitable activities:					
Exam activities	12,188	9,105	15,906	1,023	38,222

	Premises costs £	Governance costs £	Finance / IT costs £	Office/Admin costs £	Total 2023 £
Charitable activities:					
Exam activities	14,056	8,088	24,300	1,854	48,298

Notes to the financial statements – year ended 31 July 2024

4. Support costs allocations (continued)

Governance costs comprise:

	Total 2024	Total 2023
	£	£
External audit	5,280	4,830
Staff cost allocation	3,825	3,258
	9,105	8,088

Other direct costs include:

	Total 2024	Total 2023
	£	£
Auditors' remuneration:		
Audit services	5,280	4,830

5. Staff

Total staff costs including full and part time employees were:

	Total 2024	Total 2023
	£	£
Wages and salaries	123,926	118,941
Social security costs	13,668	13,030
Pensions	30,063	31,989
	167,657	163,960

The average number of employees throughout the period was:

	Total 2024	Total 2023
	£	£
Charitable staff	2.7	2.7
Support staff	0.2	0.2
	2.9	2.9

MSC Assessment has no full-time staff and draws on members of the Medical School Council's team in different proportions. Information regarding employees whose emoluments exceeded £60,000 is disclosed in the financial statements of the parent charity, the Medical Schools Council.

Notes to the financial statements – year ended 31 July 2024

6. Trustees' emoluments and emoluments of other senior key personnel

During the year no travel or accommodation expenses were reimbursed to trustees (2023: nil).

One Trustee was employed by Universities UK as an Academic Applied Knowledge Test Lead and costs were reimbursed by the Medical Schools Council. Costs including pension contributions and employers' national insurance were £27,391 (2023: £26,863).

The total employee benefits of the Chief Executive who is considered to be key management personnel (in addition to trustees) is disclosed in the financial statements of the parent charity, the Medical Schools Council.

7. Taxation

The charity is exempt from corporation tax under sections 466-497 of the Corporation Taxes Act 2010 as all its income is applied for charitable purposes.

8. Debtors

	Total 2024	Total 2023
	£	£
Trade debtors	54,372	128,238
Prepayments and accrued income	2,288	1,956
	56,660	130,194

9. Creditors: amounts falling due within one year

	Total 2024	Total 2023
	£	£
Trade creditors	59,390	18,191
Accruals and deferred income	6,330	7,038
	65,720	25,229

10. Movement in funds

	At 1 August 2023	Incoming resources	Resources expended	Transfers	At 31 July 2024
	£	£	£	£	£
Unrestricted funds					
Total funds	694,993	203,340	(245,603)	—	652,730

There were no restricted funds in either the current or prior year.

Notes to the financial statements – year ended 31 July 2024

11. Pension

Staff are employed by Universities UK and costs recharged to MSC Assessment. Universities UK participates in two pension schemes: the Universities Superannuation Scheme (USS), and the Superannuation Arrangements of the University of London (SAUL). Further details of these schemes are available in the financial statements of Universities UK.

12. Related party transactions

The charitable company has taken advantage of the exemption available in section 33 of FRS102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group. Universities UK is the ultimate parent company and the results of the Medical Schools Council and MSC Assessment have been consolidated into the financial statements of Universities UK.

The mission of Universities UK is to create the conditions for UK universities to be the best in the world, maximising their positive impact locally, nationally and globally. Services and activities include research and policy development, lobbying of government and influential stakeholders, dissemination of information to members and the wider public using all forms of media, conferences and events, and national and international networking activity.

The charitable company had no other related party transactions for the period.

13. Members

The charity is incorporated as a private company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 July 2024 there was one member, the Medical Schools Council.

MSC ASSESSMENT

England & Wales - Charity number 1153045

Accounts

Charity Number: 1153045

Company Number: 8578576

MSC ASSESSMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2023

Contents

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Trustees' report

The trustees, who are also the directors of the charity for the purposes of the Companies Act, present their report and financial statements for MSC Assessment for the year ended 31 July 2023. This report is also the directors' report for the purposes of the Companies Act and includes the elements of the strategic report.

Objects and activities for the public benefit

The object of the charity is to advance medical education for the benefit of the public including, without limitation, by the preparation, validation, accreditation, conduct and administration of any tests, examinations or other systems of assessing, evaluating and recording any aspect of medical education and training.

Mission

MSC Assessment's mission is to develop and deliver, for ultimate patient benefit, assessments of the highest quality and to conduct research to develop the evidence base.

Public Benefit

All MSC Assessment's activities are ultimately carried out for the wider public benefit of ensuring that trainee doctors are suitably qualified through appropriate training and assessment.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. In the delivery of its services and activities MSC Assessment has fully supported its members, and in so doing assisted them to achieve their goals. The service delivered is the development of high quality exam questions for the Prescribing Safety Assessment (PSA) and for the assessments used in medical school exams in the UK. MSC Assessment also invests in the creation of a platform to create and quality assure the items, to construct exam papers and to deliver the assessments remotely on agreed dates and at specific locations across the UK and to UK campuses overseas. MSC Assessment undertakes analysis of the performance of the individual items in order to optimise the quality of future exams. It conducts research to ensure assessment has a sound evidence base.

Collectively, the institutions led by the members of MSC Assessment demonstrate their wide social and economic contribution through the delivery of research, teaching, assessment, expertise and training. Medicine in the UK is unique in proactively taking steps to assure a minimum competence level and equivalence of passing standards. Higher education is available to all with the ability to benefit, regardless of their economic circumstances. The benefits of this activity to the UK are considerable.

Aims

The strategic aim of MSC Assessment is to ensure that international best practice is followed in the development and delivery of assessments of the highest quality. The purpose of this is not only to ensure that students are assessed fairly but also that patient safety is protected by confirming equivalence of standards across medical schools.

Activities to meet these aims in 2022–23

MSC Assessment carries out exam development and delivery.

MSC Assessment took on the assessment activities, assets and liabilities from MSC in January 2014 as a going concern, and in consideration for this MSC transferred to MSC Assessment the intellectual property, goodwill and cash-in-hand held by MSC in relation to the delivery of Situational Judgement tests (SJT) pursuant to the existing MoU with Health Education England (HEE). Subsequently, annual contracts were signed between MSC Assessment and HEE, but Trustees agreed they did not wish to bid for the contract to deliver the Situational Judgement Test (SJT) online from 2020 and so on 31 March 2020 the contract terminated. However MSC Assessment was successful in agreeing a licence with HEE to provide the SJT items (in which it holds the copyright) for a period of four years in exchange for an

Trustees' report

annual fee. A fee was also agreed for the production of Educational performance measures until 2022–23. This arrangement ended in 2023. A decision was also taken by the 4 UK Statutory Education Authorities to cease using the EPM and SJT in the allocation of F1 places to applicants to the NHS's Foundation Programme. A system of Preference Informed Allocation will be used from 2024.

MSC Assessment also works with the British Pharmacological Society to deliver a Prescribing Safety Assessment which seeks to enhance patient safety by assessing the prescribing skills of new doctors in the NHS.

Achievements and performance in 2022–23

MSC continues to work closely with the British Pharmacological Society to deliver the Prescribing Safety Assessment (PSA). All sittings of the 2022–23 PSA took place successfully and the results were released to candidates.

The incidents around collusion in the PSA discovered in 2021 resulted in checks for collusion being run after every sitting of the PSA 2022–23. One case was discovered and dealt with by the medical school.

The collusion issue had also highlighted governance issues around responsibility for the Foundation year and for the PSA itself. The Trustees in collaboration with the British Pharmacological Society therefore commissioned an independent review of the PSA. Chaired by Professor Dame Jane Dacre the group reported in March 2023. Its recommendations were:

Recommendation 1. Appropriate and mandatory assessment of prescribing should remain as a condition of practice for doctors in the UK: *Evidence of prescribing competence is highly desirable for new UK doctors, and those entering the UK from overseas.*

Recommendation 2. The addition of the PSA to the MLA should be considered as a pragmatic suggestion to form a Medical and Prescribing Licensing Assessment (MPLA): *This could comprise an additional and separate paper under the umbrella of the MLA.*

Recommendation 3. The examination regulations need standardising and publishing: *Both the PSA and the MLA, when launched (or the MPLA) should publish examination regulations. This will standardise examination delivery between administering institutions and clarify the management of irregularities or appeals.*

Recommendation 4. The GMC should have regulatory oversight: *The PSA (or MPLA) should be a national requirement for medical practice. As such, it should be subject to regulatory oversight from the GMC.*

Recommendation 5. The PSA should be considered as a requirement for clinical practice in the UK: *This could be a summative assessment as an exit from medical school or an entry requirement for FY1, and those coming to work in the UK as doctors via the PLAB route at FY1 and FY2.*

Recommendation 6. If implemented, the proposed MPLA should be funded in the same way as the MLA: *The MPLA should be funded in the same way as the MLA will be funded (by university). In the case of IMGs, funding would follow the model of the PLAB test (self-funded).*

Subsequent to a presentation of the recommendations to Council, MSC decided to try to understand the position of medical school Deans and Education/Assessment leads as to whether they might voluntarily incorporate the PSA into medical school finals. It was agreed that a short questionnaire would be circulated in 2023–24 in order to inform how best to address the Recommendations.

Trustees' report

Medical Licensing Assessment

Both MSC and MSC Assessment have been closely involved in a range of activities to take forward the GMC's original proposal for a Medical Licensing Assessment (MLA). In order to ensure compatibility with university governance arrangements, the original proposal has been modified.

Over the course of the year, legal advice was taken which concluded that MSC rather than MSC Assessment would be the body ultimately responsible for the MLA's Applied Knowledge Test which will replace the written component of Finals in all UK universities with medical schools. MSC Assessment will be processing personal data on behalf of MSC for the delivery of the AKT (for example, by providing the Platform through which the exam is sat).

MSC therefore needs to put in place a data processing agreement with MSC Assessment, to govern MSC Assessment's processing in connection with delivering the AKT. This is being drafted.

MSC Assessment also continues its non-MLA related activities – for example writing questions for the earlier years of medical school as well as for final years and undertaking research to support assessment activities. It continues to work with BPS on the Prescribing Safety Assessment.

Financial Review

The statement of financial activities for the year is set out on page 10 and the balance sheet on page 11 of the financial statements. A summary of the financial results and position is given below.

	Total 2023 £'000	Total 2022 £'000
Income	291	498
Expenditure	(264)	(453)
Surplus and net movement in funds	27	45
Funds brought forward	668	623
Funds carried forward	695	668

Reserves Policy

The policy is to ensure that sufficient funds are available to meet current commitments, and any exceptional expenditure and to develop plans to scale up as plans evolve to deliver the UK Medical Licensing Assessment

Total funds at 31 July 2023 were £694,993 (2022: £668,354), and these funds are all available for application and so represent the free reserves balance. This is equal to 32 months of expenditure (2022: 18 months). The trustees are satisfied that reserves levels are in line with the policy of holding reserves to meet planned commitments.

Future Plans

The Medical Licensing Assessment will go live in June 2024 for schools which take written Finals in the penultimate year. A final pilot round will occur in 2024 for schools going live in 2025. The work of the Assessment Alliance will continue - in particular its research role. Further investments will be made in the delivery platform and its possible commercialization will be considered. Partnership working with the British Pharmacological Society will continue to consider the recommendations made by the Independent Review of the PSA undertaken in 2022–23 by Professor Dame Jane Dacre and her panel.

Trustees' report

Structure, governance and management

The name of the charity (charity registration no. 1153045), which is a company limited by guarantee (company no. 8578576) is MSC Assessment.

Member

The sole member of MSC Assessment is the Medical Schools Council.

Organisation

MSC Assessment is a company limited by guarantee. It was registered in England and Wales on 20 June 2013 and began trading on 1 February 2014. The governing document of the organisation is the Articles of Association adopted in June 2013. It was registered with the Charity Commission as a charity on 23 July 2013 and was registered with the Information Commissioner's office on 26 February 2014.

The Chief Executive leads a team comprising a policy and projects adviser, a part-time senior policy officer and a team administrator.

Governance and decision-making

The trustees are all nationally renowned clinical academics. The Chair is the immediate past Chair of the Medical Schools Council. Another is the Chair of the MSC Assessment Alliance Advisory Board. Four trustees have to be currently active in MSC assessment activities and are recommended by their peers to fill any gaps as Trustees come to the end of their terms of office. Three terms of three years are permitted. Four trustees also sit on the PSA Executive Committee, the group which oversees the development and delivery of the Prescribing Safety Assessment. The trustees meet at least twice a year.

Induction and training of trustees

New trustees receive information supporting their induction which includes the provision of a mentor and an extended briefing session with the Chief Executive. The organisation updates trustees and members on any new information that may affect the governance of the charity and offers ongoing support through additional training when required.

Arrangements for setting pay and remuneration of key management

Member support for the work of MSC Assessment is on a non-remunerated basis.

The pay and remuneration of the Chief Executive, the key senior executive manager, who is also Chief Executive of the Medical Schools Council, is set by the Executive Committee of the Medical Schools Council in consultation with Universities UK. A time-based proportion of her salary is recharged to MSC Assessment.

Executive management

The Chief Executive leads a permanent Medical Schools Council team of policy advisers and officers, communications officers and a data scientist. A time-based proportion of salaries is recharged to MSC Assessment. Details of recharged staff costs and numbers are given in note 5 to the financial statements.

Principal risks and uncertainties

MSC Assessment has a detailed risk management strategy which is updated quarterly. The key risks include:

- The emergence of ChatGPT and its ability to answer exam questions at the level of Final year medical students
- Cheating by students
- Sub-optimal engagement from medical schools
- Loss of questions

Trustees' report

- Security breach compromises exam
- Volume of work exceeds staff available
- Governance issues with the PSA

These risks are managed by ensuring that staff and stakeholders are actively engaged in all aspects of policy development and execution.

Political and Charitable Donations

The company made no political or charitable donations in the year.

Funding Sources

Income comes from subscriptions raised from members to permit access to the item bank and from licences to other organisations to use items in which MSC Assessment holds the copyright. MSC Assessment does not fundraise from the public.

Reference and administrative information

Trustees

The members of the MSC Assessment Board (directors and trustees of the company) appointed for the year ended 31 July 2023 were as follows:

Professor Malcolm Reed (Chair)	To 31 July 2025
Professor Mark Gurnell	
Prof David Kluth	
Professor Amir Sam	
Professor Kate Thomas	
Professor Val Wass	
Dr Rachel Westacott	

No member of the MSC Assessment Board had a beneficial interest in any contract with the charity.

Chief Executive and Company Secretary:

Dr Katie Petty-Saphon

Registered Office

Woburn House
20 Tavistock Square
London
WC1H 9HD

Bankers

National Westminster Bank plc
214 High Holborn
London
WC1H 9XA

Solicitors

Womble Bond Dickinson
4 More London Riverside
London
SE1 2AU

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Trustees' report

Statement of Trustees' Responsibilities

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

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing 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 judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Audit Information

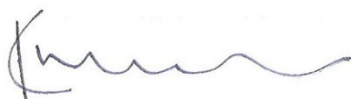
So far as each of the trustees at the time the Trustees' Report is approved is aware:

- there is no relevant information of which the auditors are unaware; and
- they have taken all relevant steps 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.

Auditor

A scheduled review of audit provision will take place in the coming year.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



Katie Petty-Saphon
Chief Executive
24 October 2023



Professor Malcolm Reed
Chair
24 October 2023

Independent auditor's report to the members of MSC Assessment

Opinion

We have audited the financial statements of MSC Assessment for the year ended 31 July 2023 which comprise Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members of MSC Assessment

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 Trustees' Report (which includes 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 directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report to the members of MSC Assessment

respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and considered other factors such as sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to income and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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.

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

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.



Thomas Wilson, Senior Statutory Auditor
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date: 06/12/23

10 Queen Street Place
London
EC4R 1AG

Statement of Financial Activities for the year ended 31 July 2023

Income and expenditure	Notes	Unrestricted Funds 2023 £	Unrestricted Funds 2022 £
Income from:			
Income from charitable activities			
. Subscriptions from membership		221,000	429,465
. Grants and contracts	2	70,130	68,047
. Other income		—	887
Total income		<u>291,130</u>	<u>498,399</u>
Expenditure on:			
Charitable activities			
. Exam activities	3	264,491	453,133
Total expenditure		<u>264,491</u>	<u>453,133</u>
Net expenditure		26,639	45,266
Gross transfers between funds			
		—	—
Net movements in funds		26,639	45,266
Total funds at 1 August 2022		<u>668,354</u>	<u>623,088</u>
Total funds at 31 July 2023	10	<u>694,993</u>	<u>668,354</u>

All activities are continuing and all funds are unrestricted. There are no gains or losses other than those disclosed in the statement of financial activities.

The notes on pages 13 to 17 form part of these financial statements.

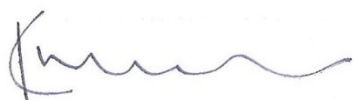
Balance sheet as at 31 July 2023

	Notes	2023 £	2022 £
Current assets			
Debtors	8	130,194	3,214
Cash at bank and in hand		590,028	738,846
		<u>720,222</u>	<u>742,060</u>
Current liabilities: amounts falling due within one year			
	9	(25,229)	(73,706)
Net current assets		<u>694,993</u>	<u>668,354</u>
Net assets		<u>694,993</u>	<u>668,354</u>
Funds and reserves			
Unrestricted funds	10	<u>694,993</u>	<u>668,354</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

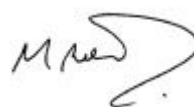
Approved by the Board of Directors and authorised for issue on 24 October 2023.

Signed on their behalf:



Katie Petty-Saphon

Chief Executive



Professor Malcom Reed

Chair

Company Number: 8578576

The notes on pages 13 to 17 form part of these financial statements

Cash flow statement – year ended 31 July 2023

	2023 £	2022 £
(a) Reconciliation of net income to net cash flow from operating activities		
Net income for the year	26,639	45,266
(Increase) / decrease in debtors	(126,980)	79,311
Decrease in creditors	(48,477)	(40,629)
Net cash used in operating activities	(148,818)	83,948
(b) Statement of cash flows		
Cash flows from operating activities	(148,818)	83,948
Net cash used in investing activities	(148,818)	83,948
Change in cash and cash equivalents in the year	(148,818)	83,948
Cash and cash equivalents at 1 August	738,846	654,898
Cash and cash equivalents at 31 July	590,028	738,846

Analysis of changes in net funds:

	At 1 August 2022 £	Cash flows £	At 31 July 2023 £
Cash	738,846	(148,818)	590,028
Total net funds	738,846	(148,818)	590,028

Notes to the financial statements – year ended 31 July 2023

1. Accounting policies

a. Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is incorporated in the UK and is public benefit entity as defined by FRS 102.

b. Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The Trustees have reviewed financial position, reserves levels and future plans and this has given the Trustees confidence that the charity remains a going concern into the future.

c. Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

d. Income

All income (including government grants) is included in the statement of financial activities when there is evidence of entitlement to the income, receipt is probable and its amount can be measured reliably.

e. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributable to a particular heading, they have been allocated to activities on a basis consistent with the use of the resource.

Direct costs, including directly attributable salaries, are allocated on the basis of time to the key strategic areas of activity.

Overheads and other salaries are allocated between activities on the bases of usage, i.e. the same basis as expenditure incurred directly in undertaking the activity.

Governance costs are those incurred in connection with management of MSC Assessment's assets, the organisation's administration and compliance with constitutional and statutory requirements.

f. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation as a result of a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

g. Debtors

Short term debtors are measured at transaction price, less any impairment.

h. Employee benefits

Staff are employed by Universities UK and costs recharged to MSC Assessment. Detail of pension schemes and employee benefits are available in the financial statements of Universities UK.

Notes to the financial statements – year ended 31 July 2023

2. Grants and contracts

	Total 2023 £	Total 2022 £
Health Education England*	70,130	68,047
	<u>70,130</u>	<u>68,047</u>

* Grants and contracts from government and government agencies

3. Analysis of total resources expended

	Direct costs £	Support costs £	Total 2023 £
Charitable activities:			
Exam activities	216,193	48,298	264,491
	<u>216,193</u>	<u>48,298</u>	<u>264,491</u>

	Direct cost £	Support costs £	Total 2022 £
Charitable activities:			
Exam activities	395,391	57,742	453,133
	<u>395,391</u>	<u>57,742</u>	<u>453,133</u>

4. Support costs allocations

	Premises costs £	Governance costs £	Finance / IT costs £	Office/Admin costs £	Total 2023 £
Charitable activities:					
Exam activities	14,056	8,088	24,300	1,854	48,298
	<u>14,056</u>	<u>8,088</u>	<u>24,300</u>	<u>1,854</u>	<u>48,298</u>

	Premises costs £	Governance costs £	Finance / IT costs £	Office/Admin costs £	Total 2022 £
Charitable activities:					
Exam activities	21,419	10,911	23,370	2,042	57,742
	<u>21,419</u>	<u>10,911</u>	<u>23,370</u>	<u>2,042</u>	<u>57,742</u>

Notes to the financial statements – year ended 31 July 2023

4. Support costs allocations (continued)

Governance costs comprise:

	Total 2023	Total 2022
	£	£
External audit	4,830	4,200
Staff cost allocation	3,258	6,711
	8,088	10,911

Other direct costs include:

	Total 2023	Total 2022
	£	£
Auditors' remuneration:		
Audit services	4,830	4,200

5. Staff

Total staff costs including full and part time employees were:

	Total 2023	Total 2022
	£	£
Wages and salaries	118,941	212,277
Social security costs	13,030	23,699
Pensions	31,989	58,455
	163,960	294,431

The average number of employees throughout the period was:

	Total 2023	Total 2022
	£	£
Charitable staff	2.5	4.0
Governance	0.1	0.2
Support staff	0.1	0.1
	2.7	4.3

MSC Assessment has no full-time staff and draws on members of the Medical School Council's team in different proportions. Information regarding employees whose emoluments exceeded £60,000 is disclosed in the financial statements of the parent charity, the Medical Schools Council.

Notes to the financial statements – year ended 31 July 2023

6. Trustees' emoluments and emoluments of other senior key personnel

During the year no travel or accommodation expenses were reimbursed to trustees (2022: nil).

One Trustee was employed by Universities UK as an Academic Applied Knowledge Test Lead and costs were reimbursed by the Medical Schools Council. Costs including pension contributions and employers' national insurance were £26,863 (2022: £25,907).

The total employee benefits of the Chief Executive who is considered to be key management personnel (in addition to trustees) is disclosed in the financial statements of the parent charity, the Medical Schools Council.

7. Taxation

The charity is exempt from corporation tax under sections 466-497 of the Corporation Taxes Act 2010 as all its income is applied for charitable purposes.

8. Debtors

	Total 2023 £	Total 2022 £
Trade debtors	128,238	—
Prepayments and accrued income	1,956	3,214
	130,194	3,214

9. Creditors: amounts falling due within one year

	Total 2023 £	Total 2022 £
Trade creditors	18,191	66,775
Accruals and deferred income	7,038	6,931
	25,229	73,706

10. Movement in funds

	At 1 August 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 July 2023 £
Unrestricted funds					
Total funds	668,354	291,130	(264,491)	—	694,993

There were no restricted funds in either the current or prior year.

Notes to the financial statements – year ended 31 July 2023

11. Pension

Staff are employed by Universities UK and costs recharged to MSC Assessment. Universities UK participates in two pension schemes: the Universities Superannuation Scheme (USS), and the Superannuation Arrangements of the University of London (SAUL). Further details of these schemes are available in the financial statements of Universities UK.

12. Related party transactions

The charitable company has taken advantage of the exemption available in section 33 of FRS102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group. Universities UK is the ultimate parent company and the results of the Medical Schools Council and MSC Assessment have been consolidated into the financial statements of Universities UK.

The mission of Universities UK is to create the conditions for UK universities to be the best in the world, maximising their positive impact locally, nationally and globally. Services and activities include research and policy development, lobbying of government and influential stakeholders, dissemination of information to members and the wider public using all forms of media, conferences and events, and national and international networking activity.

The charitable company had no other related party transactions for the period.

13. Members

The charity is incorporated as a private company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 July 2023 there was one member, the Medical Schools Council.

MSC ASSESSMENT

England & Wales - Charity number 1153045

Accounts

Charity Number: 1153045

Company Number: 8578576

MSC ASSESSMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

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Trustees' report

The trustees, who are also the directors of the charity for the purposes of the Companies Act, present their report and financial statements for MSC Assessment for the year ended 31 July 2022. This report is also the directors' report for the purposes of the Companies Act and includes the elements of the strategic report.

Objects and activities for the public benefit

The object of the charity is to advance medical education for the benefit of the public including, without limitation, by the preparation, validation, accreditation, conduct and administration of any tests, examinations or other systems of assessing, evaluating and recording any aspect of medical education and training.

Mission

MSC Assessment's mission is to develop and deliver, for ultimate patient benefit, assessments of the highest quality and to conduct research to develop the evidence base.

Public Benefit

All MSC Assessment's activities are ultimately carried out for the wider public benefit of ensuring that trainee doctors are suitably qualified through appropriate training and assessment.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. In the delivery of its services and activities MSC Assessment has fully supported its members, and in so doing assisted them to achieve their goals. The service delivered is the development of high quality exam questions for the Prescribing Safety Assessment (PSA) and for the assessments used in medical school exams in the UK. MSC Assessment also invests in the creation of a platform to create and quality assure the items, to construct exam papers and to deliver the assessments remotely on agreed dates and at specific locations across the UK and to UK campuses overseas. MSC Assessment undertakes analysis of the performance of the individual items in order to optimise the quality of future exams. It conducts research to ensure assessment has a sound evidence base.

Collectively, the institutions led by the members of MSC Assessment demonstrate their wide social and economic contribution through the delivery of research, teaching, assessment, expertise and training. Medicine in the UK is unique in proactively taking steps to assure a minimum competence level and equivalence of passing standards. Higher education is available to all with the ability to benefit, regardless of their economic circumstances. The benefits of this activity to the UK are considerable.

Aims

The strategic aim of MSC Assessment is to ensure that international best practice is followed in the development and delivery of assessments of the highest quality. The purpose of this is not only to ensure that students are assessed fairly but also that patient safety is protected by confirming equivalence of standards across medical schools.

Activities to meet these aims in 2021–22

MSC Assessment carries out exam development and delivery.

MSC Assessment took on the assessment activities, assets and liabilities from MSC in January 2014 as a going concern, and in consideration for this MSC transferred to MSC Assessment the intellectual property, goodwill and cash-in-hand held by MSC in relation to the delivery of Situational Judgement tests (SJT) pursuant to the existing MoU with Health Education England (HEE). Subsequently, annual contracts were signed between MSC Assessment and HEE, but Trustees agreed they did not wish to bid for the contract to deliver the Situational Judgement Test (SJT) online from 2020 and so on 31 March 2020 the contract terminated. However MSC Assessment was successful in agreeing a licence with HEE to provide the SJT items (in which it holds the copyright) for a period of four years in exchange for an

Trustees' report

annual fee. A fee was also agreed for the production of Educational performance measures until 2022–23. This is now MSCA's only involvement with the SJT.

MSC Assessment also works with the British Pharmacological Society to deliver a Prescribing Safety Assessment which seeks to enhance patient safety by assessing the prescribing skills of new doctors in the NHS.

Achievements and performance in 2021–22

MSC continues to work closely with the British Pharmacological Society to deliver the Prescribing Safety Assessment (PSA). All sittings of the 2021–22 PSA have now taken place and the results have been released to candidates.

In 2020–21, delivery of the PSA was affected by the ongoing COVID-19 restrictions. The decision was taken to offer schools the option of invigilating candidates face to face in a venue, through remote proctoring, or not invigilating. However in November 2021 it came to light that in Australia, students taking the PSA under un-invigilated conditions had colluded. On being challenged they admitted to the collusion. A check was run on the 2020–21 results for the PSA in the UK and thirteen pairs of students in 10 different medical schools were found to have submitted identical answers within seconds of each other. Had this come to light whilst the students were still at medical school it would have been treated as an academic mis-conduct issue. However the students had all graduated and as they were registered with the GMC, the GMC stated that it must undertake the investigation. This has occurred but the final findings are as yet unknown.

The incidents resulted in checks for collusion being run after every sitting of the PSA 21-22. One case was discovered and dealt with by the medical school. It also highlighted governance issues around responsibility for the Foundation year and for the PSA itself. The Trustees in collaboration with the British Pharmacological Society have therefore commissioned an independent review of the PSA. Chaired by Professor Dame Jane Dacre it hopes to make its recommendations before the end of the 2022-23 academic year.

Medical Licensing Assessment

Both MSC and MSC Assessment have been closely involved in a range of activities to take forward the GMC's original proposal for a Medical Licensing Assessment. In order to ensure compatibility with university governance arrangements, the original proposal has been modified.

The detailed proposal submitted by the MSC on behalf of all the UK medical schools was accepted by the GMC Council in June 2021 and comprehensive and extensive steps to pilot the assessment have been taken during 2021–22. The medical schools will collectively set and administer a common test of applied knowledge to be regulated by the GMC. There is a commitment to go live for those graduating in the academic year 2024–25.

This is an extremely important step for medical education. For the avoidance of any doubt, medical schools reaffirmed to the GMC their commitment to the key elements of their initial proposal for a university-led Applied Knowledge test, AKT.

During the iterative process of development in the pilot phase and beyond MSC will engage with key stakeholders as part of the MS AKT's development. The MS AKT will require significant financial resources in terms of academic and administrative time when delivered to the highest possible standard. Detailed work is now underway to determine how the costs of the MLA will be shared between the universities, MSC and MSC Assessment. MSC Council decided in December 2021 that a fee would be levied by MSC to finance the AKT. It would be based on the number of students in each school projected to take the assessment.

Trustees' report

MSC Assessment will continue its non-MLA related activities – for example writing questions for the earlier years of medical school as well as for final years and undertaking research to support assessment activities. It will continue to work with BPS on the Prescribing Safety Assessment.

Financial Review

The statement of financial activities for the year is set out on page 10 and the balance sheet on page 11 of the financial statements. A summary of the financial results and position is given below.

	Total 2022 £'000	Total 2021 £'000
Income	498	513
Expenditure	(453)	(472)
Surplus and net movement in funds	45	41
Funds brought forward	623	582
Funds carried forward	668	623

Reserves Policy

The policy is to ensure that sufficient funds are available to meet current commitments, and any exceptional expenditure and to develop plans to scale up as plans evolve to deliver the UK Medical Licensing Assessment

Total funds at 31 July 2022 were £668,354 (2021: £623,088), and these funds are all available for application and so represent the free reserves balance. This is equal to 18 months of expenditure (2021: 16 months). The trustees are satisfied that reserves levels are in line with the policy of holding reserves to meet planned commitments.

Future Plans

Our plans for 2022–23 onwards are to pilot the Medical Licensing Assessment over the next 2 years in preparation for live delivery in 2024–25. The work of the Assessment Alliance will continue - in particular its research role. Further investments will be made in the delivery platform and its possible commercialization will be considered.

Structure, governance and management

The name of the charity (charity registration no. 1153045), which is a company limited by guarantee (company no. 8578576) is MSC Assessment.

Member

The sole member of MSC Assessment is the Medical Schools Council.

Organisation

MSC Assessment is a company limited by guarantee. It was registered in England and Wales on 20 June 2013 and began trading on 1 February 2014. The governing document of the organisation is the Articles of Association adopted in June 2013. It was registered with the Charity Commission as a charity on 23 July 2013 and was registered with the Information Commissioner's office on 26 February 2014.

The Chief Executive leads a team comprising a policy and projects adviser, a part-time senior policy officer and a team administrator.

Trustees' report

Governance and decision-making

The trustees are all nationally renowned clinical academics. In 2021–22 one was also the elected Chair of the Medical Schools Council and another is the Chair of the MSC Assessment Alliance Advisory Board. Four trustees have to be currently active in MSC assessment activities and are recommended by their peers to fill any gaps as Trustees come to the end of their terms of office. Three terms of three years are permitted. Four trustees also sit on the PSA Executive Committee, the group which oversees the development and delivery of the Prescribing Safety Assessment. The trustees meet at least twice a year.

Induction and training of trustees

New trustees receive information supporting their induction which includes the provision of a mentor and an extended briefing session with the Chief Executive. The organisation updates trustees and members on any new information that may affect the governance of the charity and offers ongoing support through additional training when required.

Arrangements for setting pay and remuneration of key management

Member support for the work of MSC Assessment is on a non-remunerated basis.

The pay and remuneration of the Chief Executive, the key senior executive manager, who is also Chief Executive of the Medical Schools Council, is set by the Executive Committee of the Medical Schools Council in consultation with Universities UK. A time-based proportion of her salary is recharged to MSC Assessment.

Executive management

The Chief Executive leads a permanent Medical Schools Council team of policy advisers and officers, communications officers and a data scientist. A time-based proportion of salaries is recharged to MSC Assessment. Details of recharged staff costs and numbers are given in note 5 to the financial statements.

Principal risks and uncertainties

MSC Assessment has a detailed risk management strategy which is updated quarterly. The key risks include:

- The continuing ramifications of the COVID-19 pandemic
- Cheating by students
- Sub-optimal engagement from medical schools
- Loss of questions
- Security breach compromises exam
- Volume of work exceeds staff available
- Governance issues with the PSA

These risks are managed by ensuring that staff and stakeholders are actively engaged in all aspects of policy development and execution.

Political and Charitable Donations

The company made no political or charitable donations in the year.

Funding Sources

Income comes from subscriptions raised from members to permit access to the item bank and from licences to other organisations to use items in which MSC Assessment holds the copyright. MSC Assessment does not fundraise from the public

Trustees' report

Reference and administrative information

Trustees

The members of the MSC Assessment Board (directors and trustees of the company) appointed for the year ended 31 July 2022 were as follows:

Professor Tony Weetman (Chair)	To 31 July 2022
Professor Mark Gurnell	
Prof David Kluth	
Professor Malcolm Reed	
Professor Kate Thomas	
Professor Val Wass	
Dr Rachel Westacott	From 4 March 2022

Professor Amir Sam was appointed to the MSC Assessment Board on 1 August 2022 to fill the vacant position created by Prof Weetman reaching the end of his third term. The Trustees elected Prof Malcolm Reed as Chair of MSC Assessment from 1 August 2022.

No member of the MSC Assessment Board had a beneficial interest in any contract with the charity.

Chief Executive and Company Secretary:

Dr Katie Petty-Saphon

Registered Office

Woburn House
20 Tavistock Square
London
WC1H 9HD

Bankers

National Westminster Bank plc
PO Box 83
Tavistock House
Tavistock Square
London
WC1H 9XA

Solicitors

Womble Bond Dickinson
4 More London Riverside
London
SE1 2AU

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Trustees' report

Statement of Trustees' Responsibilities

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

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing 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 judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Audit Information

So far as each of the trustees at the time the Trustees' Report is approved is aware:

- there is no relevant information of which the auditors are unaware; and
- they have taken all relevant steps 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.


Auditor

Haysmacintyre LLP has indicated its willingness to continue as auditor, subject to re-appointment at the next Universities UK annual general meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



Katie Petty-Saphon
Chief Executive
9 December 2022



Professor Malcolm Reed
Chair
9 December 2022

Independent auditor's report to the members of MSC Assessment

Opinion

We have audited the financial statements of MSC Assessment for the year ended 31 July 2022 which comprise Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members of MSC Assessment

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 Trustees' Report (which includes 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 directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report to the members of MSC Assessment

respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and considered other factors such as sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to income and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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.

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

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.



Thomas Wilson, Senior Statutory Auditor
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date: 20 December 2022

10 Queen Street Place
London
EC4R 1AG

Statement of Financial Activities for the year ended 31 July 2022

Income and expenditure	Notes	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
Income from:			
Income from charitable activities			
. Subscriptions from membership		429,465	432,971
. Grants and contracts	2	68,047	79,950
. Other income		887	—
Total income		498,399	512,921
Expenditure on:			
Charitable activities			
. Exam activities	3	453,133	471,404
Total expenditure		45,266	471,404
Net expenditure		45,266	41,517
Gross transfers between funds			
		—	—
Net movements in funds		45,266	41,517
Total funds at 1 August 2021		623,088	581,571
Total funds at 31 July 2022	10	668,354	623,088

All activities are continuing and all funds are unrestricted. There are no gains or losses other than those disclosed in the statement of financial activities.

The notes on pages 13 to 17 form part of these financial statements.

Balance sheet as at 31 July 2022

	Notes	2022 £	2021 £
Current assets			
Debtors	8	3,214	82,525
Cash at bank and in hand		<u>738,846</u>	<u>654,898</u>
		742,060	737,423
Current liabilities: amounts falling due within one year	9	(73,706)	(114,335)
Net current assets		<u>668,354</u>	<u>623,088</u>
Net assets		<u>668,354</u>	<u>623,088</u>
Funds and reserves			
Unrestricted funds	10	<u>668,354</u>	<u>623,088</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board of Directors and authorised for issue on 9 December 2022.

Signed on their behalf:



Katie Petty-Saphon

Chief Executive



Professor Malcom Reed

Chair

Company Number: 8578576

The notes on pages 13 to 17 form part of these financial statements

Cash flow statement – year ended 31 July 2022

	2022 £	2021 £
(a) Reconciliation of net income to net cash flow from operating activities		
Net income for the year	45,266	41,517
Decrease in debtors	79,311	9,377
Decrease increase in creditors	(40,629)	(62,943)
Net cash used in operating activities	83,948	(12,049)
(b) Statement of cash flows		
Cash flows from operating activities	83,948	(12,049)
Net cash used in investing activities	83,948	(12,049)
Change in cash and cash equivalents in the year	83,948	(12,049)
Cash and cash equivalents at 1 August	654,898	666,947
Cash and cash equivalents at 31 July	738,846	654,898

Analysis of changes in net funds:

	At 1 August 2021 £	Cash flows £	At 31 July 2022 £
Cash	654,898	83,948	738,846
Total net funds	654,898	83,948	738,846

Notes to the financial statements – year ended 31 July 2022

1. Accounting policies

a. Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is incorporated in the UK and is public benefit entity as defined by FRS 102.

b. Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The Trustees have reviewed financial position, reserves levels and future plans and this has given the Trustees confidence that the charity remains a going concern into the future.

c. Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

d. Income

All income (including government grants) is included in the statement of financial activities when there is evidence of entitlement to the income, receipt is probable and its amount can be measured reliably.

e. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributable to a particular heading, they have been allocated to activities on a basis consistent with the use of the resource.

Direct costs, including directly attributable salaries, are allocated on the basis of time to the key strategic areas of activity.

Overheads and other salaries are allocated between activities on the bases of usage, i.e. the same basis as expenditure incurred directly in undertaking the activity.

Governance costs are those incurred in connection with management of MSC Assessment's assets, the organisation's administration and compliance with constitutional and statutory requirements.

f. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation as a result of a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

g. Debtors

Short term debtors are measured at transaction price, less any impairment.

h. Employee benefits

Staff are employed by Universities UK and costs recharged to MSC Assessment. Detail of pension schemes and employee benefits are available in the financial statements of Universities UK.

Notes to the financial statements – year ended 31 July 2022

2. Grants and contracts

	Total 2022 £	Total 2021 £
Health Education England*	68,047	65,000
Cardiff University Medical School	—	14,950
	<u>68,047</u>	<u>79,950</u>

* Grants and contracts from government and government agencies

3. Analysis of total resources expended

	Direct costs £	Support costs £	Total 2022 £
Charitable activities:			
Exam activities	<u>395,391</u>	<u>57,742</u>	<u>453,133</u>

	Direct cost £	Support costs £	Total 2021 £
Charitable activities:			
Exam activities	<u>398,555</u>	<u>72,849</u>	<u>471,404</u>

4. Support costs allocations

	Premises costs £	Governance costs £	Finance / IT costs £	Office/Admin costs £	Total 2022 £
Charitable activities:					
Exam activities	<u>21,419</u>	<u>10,911</u>	<u>23,370</u>	<u>2,042</u>	<u>57,742</u>

	Premises costs £	Governance costs £	Finance / IT costs £	Office/Admin costs £	Total 2021 £
Charitable activities:					
Exam activities	<u>25,081</u>	<u>9,270</u>	<u>33,958</u>	<u>4,540</u>	<u>72,849</u>

Notes to the financial statements – year ended 31 July 2022

4. Support costs allocations (continued)

Governance costs comprise:

	Total 2022	Total 2021
	£	£
External audit	4,200	2,280
Staff cost allocation	6,711	6,990
	10,911	9,270

Other direct costs include:

	Total 2022	Total 2021
	£	£
Auditors' remuneration:		
Audit services	4,200	2,280

5. Staff

Total staff costs including full and part time employees were:

	Total 2022	Total 2021
	£	£
Wages and salaries	212,277	227,172
Social security costs	23,699	24,401
Pensions	58,455	59,713
	294,431	311,286

The average number of employees throughout the period was:

	Total 2022	Total 2021
	£	£
Charitable staff	4.0	4.0
Governance	0.2	0.1
Support staff	0.1	0.2
	4.3	4.3

MSC Assessment has no full-time staff and draws on members of the Medical School Council's team in different proportions. Information regarding employees whose emoluments exceeded £60,000 is disclosed in the financial statements of the parent charity, the Medical Schools Council.

Notes to the financial statements – year ended 31 July 2022

6. Trustees' emoluments and emoluments of other senior key personnel

During the year no travel or accommodation expenses were reimbursed to trustees (2021: nil).

One Trustee was employed by Universities UK as an Academic Applied Knowledge Test Lead and costs were reimbursed by the Medical Schools Council. Costs including pension contributions and employers' national insurance were £25,907 (2021: £8,266).

The total employee benefits of the Chief Executive who is considered to be key management personnel (in addition to trustees) is disclosed in the financial statements of the parent charity, the Medical Schools Council.

7. Taxation

The charity is exempt from corporation tax under sections 466-497 of the Corporation Taxes Act 2010 as all its income is applied for charitable purposes.

8. Debtors

	Total 2022	Total 2021
	£	£
Trade debtors	—	77,419
Prepayments and accrued income	3,214	5,106
	3,214	82,525

9. Creditors: amounts falling due within one year

	Total 2022	Total 2021
	£	£
Trade creditors	66,775	64,473
Accruals and deferred income	6,931	49,862
	73,706	114,335

10. Movement in funds

	At 1 August 2021	Incoming resources	Resources expended	Transfers	At 31 July 2022
	£	£	£	£	£
Unrestricted funds					
Total funds	623,088	498,399	(453,133)	—	668,354

There were no restricted funds in either the current or prior year.

Notes to the financial statements – year ended 31 July 2022

11. Pension

Staff are employed by Universities UK and costs recharged to MSC Assessment. Universities UK participates in two pension schemes: the Universities Superannuation Scheme (USS), and the Superannuation Arrangements of the University of London (SAUL). Further details of these schemes are available in the financial statements of Universities UK.

12. Related party transactions

The charitable company has taken advantage of the exemption available in section 33 of FRS102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group. Universities UK is the ultimate parent company and the results of the Medical Schools Council and MSC Assessment have been consolidated into the financial statements of Universities UK.

The mission of Universities UK is to create the conditions for UK universities to be the best in the world, maximising their positive impact locally, nationally and globally. Services and activities include research and policy development, lobbying of government and influential stakeholders, dissemination of information to members and the wider public using all forms of media, conferences and events, and national and international networking activity.

The charitable company had no other related party transactions for the period.

13. Members

The charity is incorporated as a private company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 July 2022 there was one member, the Medical Schools Council.

MSC ASSESSMENT

England & Wales - Charity number 1153045

Accounts

Charity Number: 1153045

Company Number: 8578576

MSC ASSESSMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

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Trustees' report

The trustees, who are also the directors of the charity for the purposes of the Companies Act, present their report and financial statements for MSC Assessment for the year ended 31 July 2021. This report is also the directors' report for the purposes of the Companies Act and includes the elements of the strategic report.

Objects and activities for the public benefit

The object of the charity is to advance medical education for the benefit of the public including, without limitation, by the preparation, validation, accreditation, conduct and administration of any tests, examinations or other systems of assessing, evaluating and recording any aspect of medical education and training.

Mission

MSC Assessment's mission is to develop and deliver, for ultimate patient benefit, assessments of the highest quality and to conduct research to develop the evidence base.

Public Benefit

All MSC Assessment's activities are ultimately carried out for the wider public benefit of ensuring that trainee doctors are suitably qualified through appropriate training and assessment.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. In the delivery of its services and activities MSC Assessment has fully supported its members, and in so doing assisted them to achieve their goals. The service delivered is the development of high quality exam questions for the Prescribing Safety Assessment (PSA) and for the assessments used in medical school exams in the UK. MSC Assessment also invests in the creation of a platform to create and quality assure the items, to construct exam papers and to deliver the assessments remotely on agreed dates and at specific locations across the UK and to UK campuses overseas. MSC Assessment undertakes analysis of the performance of the individual items in order to optimise the quality of future exams. It conducts research to ensure assessment has a sound evidence base.

Collectively, the institutions led by the members of MSC Assessment demonstrate their wide social and economic contribution through the delivery of research, teaching, assessment, expertise and training. Medicine in the UK is unique in proactively taking steps to assure a minimum competence level and equivalence of passing standards. Higher education is available to all with the ability to benefit, regardless of their economic circumstances. The benefits of this activity to the UK are considerable.

Aims

The strategic aim of MSC Assessment is to ensure that international best practice is followed in the development and delivery of assessments of the highest quality. The purpose of this is not only to ensure that students are assessed fairly but also that patient safety is protected by confirming equivalence of standards across medical schools.

Activities to meet these aims in 2020–21

MSC Assessment carries out exam development and delivery.

MSC Assessment took on the assessment activities, assets and liabilities from MSC in January 2014 as a going concern, and in consideration for this MSC transferred to MSC Assessment the intellectual property, goodwill and cash in hand held by MSC in relation to the delivery of Situational Judgement tests (SJT) pursuant to the existing MoU with Health Education England (HEE). Subsequently, annual contracts were signed between MSC Assessment and HEE, but Trustees agreed they did not wish to bid for the contract to deliver the Situational Judgement Test (SJT) online from 2020 and so on 31 March 2020 the contract terminated. However MSC Assessment was successful in agreeing a licence with HEE to provide the SJT items (in which it holds the copyright) for a period of four years in exchange for an

Trustees' report

annual fee. A fee was also agreed for the production of Educational performance measures in 2021–23. This is now MSCA's only involvement with the SJT.

MSC Assessment also works with the British Pharmacological Society to deliver a Prescribing Safety Assessment which seeks to enhance patient safety by assessing the prescribing skills of new doctors in the NHS.

Achievements and performance in 2020–21

MSC continues to work closely with the British Pharmacological Society to deliver the Prescribing Safety Assessment (PSA). All sittings of the 2020–21 PSA have now taken place and the results have been released to candidates.

As with most assessments in 2021, delivery of the PSA was affected by the ongoing COVID-19 restrictions. The decision was taken to offer schools the option of invigilating candidates face to face in a venue, through remote proctoring, or not invigilating. To mitigate the risk of exposing key anchor items through unsupervised sittings, three new papers had to be constructed late in the process and schools restricted to a first sit, and two resits.

The interim analysis completed after the first date in February indicated that the papers were of a comparable standard and that results were in line with previous years. Performance data for all sittings in 2021 will be analysed by the psychometrician and reported on in August. Schools will be given a copy of the report.

Overall, the platform performed well. The only significant disruption came from an update on the NICE platform which coincided with a PSA sitting. The NICE team apologised and has promised to put protocols in place to prevent this happening again in the future.

Medical Licensing Assessment

Both MSC and MSC Assessment have been closely involved in a range of activities to take forward the GMC's original proposal for a Medical Licensing Assessment. In order to ensure compatibility with university governance arrangements, the original proposal has been modified.

The detailed proposal submitted by the MSC on behalf of all the UK medical schools was accepted by the GMC Council in June 2021. The medical schools will collectively set and administer a common test of applied knowledge to be regulated by the GMC. Plans are in hand to pilot the process over the next three years with a commitment to go live for those graduating in the academic year 2024–25.

This is an extremely important step for medical education. For the avoidance of any doubt, medical schools reaffirmed to the GMC their commitment to the key elements of their initial proposal for a university-led AKT which the GMC had accepted in July 2020. They intend to build upon and improve the mechanisms to set and deliver exams in the light of evidence obtained thus far and during the forthcoming pilots. To that end the commitments have been updated:

1. All students at UK medical schools will be required to pass the UK Medical Licensing Assessment (MLA) in order to graduate and be awarded a medical degree that is recognised as a primary medical qualification (PMQ) by the GMC.

Trustees' report

2. Before the UK MLA goes live¹, the GMC will clarify how the structures and procedures, which schools and universities agree to operate through the MSC, will relate to its statutory responsibilities, and to school and university obligations under the Medical Act.² During development of the UK MLA, the GMC will need to assure itself that the approach being established can secure maintenance of the required standard of proficiency.
3. When the UK MLA goes live, schools and universities will take responsibility for delivering the MS AKT using the agreed approach. The GMC's role will be to ensure that the processes and structures, and how they are implemented, continue to secure the required standard of proficiency in those schools. The mechanisms for ensuring that the required standard is met may change over time. The MS AKT will utilise the MSC Assessment (MSCA) question bank and delivery platform with robust item development and quality assurance processes overseen by the GMC.
4. The UK MLA AKT will be delivered on-screen utilising the MSCA platform
5. The content for the MS AKT for students at UK medical schools will be drawn from the GMC's MLA content map³ and the sampling grid developed by experts in UK medical schools and approved by the GMC. The pass mark will be set by a national exam board of experts regulated by the GMC.
6. Medical schools will continue to deliver their own CPSAs in accordance with the GMC content map and in compliance with good practice requirements set out by GMC in the CPSA Requirements. Information on the CPSA is available separately.⁴
7. Before the UK MLA goes live, the MSC will support medical schools in building consistency for all candidates, by coordinating national policy frameworks or guidance for the MS AKT in areas such as number of attempts, mitigating circumstances, reasonable adjustments, exam misconduct and appeals. As the MS AKT will be embedded within a medical degree, these frameworks or guidance will be applied through a medical school or parent university's local processes, and decisions under the policies will be made locally.
8. Data sharing with the GMC will ensure robust regulation and facilitate its quality assurance and evaluation of the MS AKT and research to investigate the impact of the MLA, including the standards relevant to the points of registration for students and UK medical schools and international medical graduates.

During the iterative process of development in the pilot phase and beyond MSC will engage with key stakeholders as part of the MS AKT's development. The MS AKT will require significant financial resources in terms of academic and administrative time when delivered to the highest possible standard. MSC intends to undertake a full evaluation after one full pilot to develop a proportionate funding model. The heads of the medical schools and their colleagues, look forward to continuing to work with the GMC to develop and pilot the MS AKT for full implementation in 2024.

¹ Since confirmed as being in 2024.

² The GMC has since done so through *Assuring readiness for practice: a framework for the MLA* (March 2021).

³ See *Assuring readiness for practice: a framework for the MLA* (March 2021).

⁴ See *Assuring readiness for practice: a framework for the MLA* (March 2021).

Trustees' report

Detailed work is now underway to determine how the costs of the MLA will be shared between the universities, MSC and MSC Assessment. A decision will be taken during the course of 2021–22.

MSC Assessment will however also continue its non-MLA related activities – for example writing questions for the earlier years of medical school as well as for final years and undertaking research to support assessment activities. It will continue to work with BPS on the Prescribing Safety Assessment.

Financial Review

The statement of financial activities for the year is set out on page 11 and the balance sheet on page 12 of the financial statements. A summary of the financial results and position is given below.

	Total 2021 £'000	Total 2020 £'000
Income	513	840
Expenditure	(472)	(1,115)
Surplus and net movement in funds	41	(275)
Funds brought forward	582	857
Funds carried forward	623	582

Reserves Policy

The policy is to ensure that sufficient funds are available to meet current commitments, and any exceptional expenditure and to develop plans to scale up as plans evolve to deliver the UK Medical Licensing Assessment

Total funds at 31 July 2021 were £623,088 (2020: £581,571), and these funds are all available for application and so represent the free reserves balance. This is equal to 16 months of expenditure (2020: 6 months). The trustees are satisfied that reserves levels are in line with the policy of holding reserves to meet planned commitments.

Future Plans

Our plans for 2021–22 onwards are to pilot the Medical Licensing Assessment over the next 3 years in preparation for live delivery in 2024–25. The work of the Assessment Alliance will continue - in particular its research role. Further investments will be made in the delivery platform and its possible commercialization will be considered.

Structure, governance and management

The name of the charity (charity registration no. 1153045), which is a company limited by guarantee (company no. 8578576) is MSC Assessment.

Member

The sole member of MSC Assessment is the Medical Schools Council.

Trustees' report

Organisation

MSC Assessment is a company limited by guarantee. It was registered in England and Wales on 20 June 2013 and began trading on 1 February 2014. The governing document of the organisation is the Articles of Association adopted in June 2013. It was registered with the Charity Commission as a charity on 23 July 2013 and was registered with the Information Commissioner's office on 26 February 2014.

The Chief Executive leads a team comprising a policy and projects adviser, a part-time senior policy officer and a team administrator.

Governance and decision-making

The trustees are all nationally renowned clinical academics, one of whom is the elected Chair of the Medical Schools Council Executive Board and another is the Chair of the MSC Assessment Alliance. Four trustees have to be currently active in MSC assessment activities and are recommended by their peers to fill any gaps as Trustees come to the end of their terms of office. Three terms of three years are permitted. Four trustees also sit on the PSA Executive Committee, the group which oversees the development and delivery of the Prescribing Safety Assessment. The trustees meet at least twice a year.

Induction and training of trustees

New trustees receive information supporting their induction which includes the provision of a mentor and an extended briefing session with the Chief Executive. The organisation updates trustees and members on any new information that may affect the governance of the charity and offers ongoing support through additional training when required.

Arrangements for setting pay and remuneration of key management

Member support for the work of MSC Assessment is on a non-remunerated basis.

The pay and remuneration of the Chief Executive, the key senior executive manager, who is also Chief Executive of the Medical Schools Council, is set by the Executive Committee of the Medical Schools Council in consultation with Universities UK. A time-based proportion of her salary is recharged to MSC Assessment.

Executive management

The Chief Executive leads a permanent Medical Schools Council team of policy advisers and officers, communications officers and a data scientist. A time-based proportion of salaries is recharged to MSC Assessment. Details of recharged staff costs and numbers are given in note 5 to the financial statements.

Principal risks and uncertainties

MSC Assessment has a detailed risk management strategy which is updated quarterly. The key risks include:

- The COVID-19 pandemic
- Sub-optimal engagement from medical schools
- Failure to develop sufficient well-performing exam questions
- Last minute unavailability of a test venue
- Loss of questions
- Security breach compromises exam
- Volume of work exceeds staff available

These risks are managed by ensuring that staff and stakeholders are actively engaged in all aspects of policy development and execution.

Trustees' report

Political and Charitable Donations

The company made no political or charitable donations in the year.

Funding Sources

Income comes from subscriptions raised from members to permit access to the item bank and from licences to other organisations to use items in which MSC Assessment holds the copyright. MSC Assessment does not fundraise from the public

Reference and administrative information

Trustees

The members of the MSC Assessment Board (directors and trustees of the company) appointed for the year ended 31 July 2021 were as follows:

Professor Tony Weetman (Chair)

Professor Mark Gurnell

Professor Ian Hall

To 31 July 2021

Professor Malcolm Reed

Professor Kate Thomas

Professor Val Wass

Dr Rachel Jane Westacott

From 4 March 2021

Professor David Kluth was appointed to the MSC Assessment Board on 1 August 2021.

No member of the MSC Assessment Board had a beneficial interest in any contract with the charity.

Chief Executive and Company Secretary:

Dr Katie Petty-Saphon

Registered Office

Woburn House
20 Tavistock Square
London
WC1H 9HD

Bankers

National Westminster Bank plc
PO Box 83
Tavistock House
Tavistock Square
London
WC1H 9XA

Solicitors

Womble Bond Dickinson
4 More London Riverside
London
SE1 2AU

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Trustees' report

Statement of Trustees' Responsibilities

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

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing 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 judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Audit Information

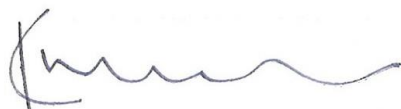
So far as each of the trustees at the time the Trustees' Report is approved is aware:

- there is no relevant information of which the auditors are unaware; and
- they have taken all relevant steps 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.

Auditor

Haysmacintyre LLP has indicated its willingness to continue as auditor, subject to re-appointment at the next Universities UK annual general meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



Katie Petty-Saphon
Chief Executive
29 October 2021



Professor Tony Weetman
Chair
29 October 2021

Independent auditor's report to the members of MSC Assessment

Opinion

We have audited the financial statements of MSC Assessment for the year ended 31 July 2021 which comprise Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

Independent auditor's report to the members of MSC Assessment

conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes 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 directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report to the members of MSC Assessment

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and considered other factors such as sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to income and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

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.



Thomas Wilson, Senior Statutory Auditor
For and on behalf of Haysmacintyre LLP, Statutory
Auditor Date: 18 November 2021

10 Queen Street Place
London
EC4R 1AG

Statement of Financial Activities for the year ended 31 July 2021

Income and expenditure	Notes	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
Income from:			
Income from charitable activities			
. Subscriptions from membership		432,971	393,090
. Grants and contracts	2	79,950	35,675
. Other income		—	411,525
Total income		<u>512,921</u>	<u>840,290</u>
Expenditure on:			
Charitable activities			
. Exam activities	3	471,404	1,115,300
Total expenditure		<u>471,404</u>	<u>1,115,300</u>
Net expenditure		41,517	(275,010)
Gross transfers between funds		—	—
Net movements in funds		41,517	(275,010)
Total funds at 1 August 2020		<u>581,571</u>	<u>856,581</u>
Total funds at 31 July 2021	10	<u>623,088</u>	<u>581,571</u>

All activities are continuing and all funds are unrestricted. There are no gains or losses other than those disclosed in the statement of financial activities.

The notes on pages 14 to 18 form part of these financial statements.

Balance sheet as at 31 July 2021

	Notes	2021 £	2020 £
Current assets			
Debtors	8	82,525	91,902
Cash at bank and in hand		654,898	666,947
		<u>737,423</u>	<u>758,849</u>
Current liabilities: amounts falling due within one year			
	9	(114,335)	(177,278)
Net current assets		<u>623,088</u>	<u>581,571</u>
Net assets		<u>623,088</u>	<u>581,571</u>
Funds and reserves			
Unrestricted funds	10	<u>623,088</u>	<u>581,571</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board of Directors and authorised for issue on 29 October 2021.

Signed on their behalf:



Katie Petty-Saphon

Chief Executive



Professor Tony Weetman

Chair

Company Number: 8578576

The notes on pages 14 to 18 form part of these financial statements

Cash flow statement – year ended 31 July 2021

	2021 £	2020 £
(a) Reconciliation of net income to net cash flow from operating activities		
Net income / (expenditure) for the year	41,517	(275,010)
Decrease in debtors	9,377	787,772
(Decrease) / increase in creditors	(62,943)	65,831
Net cash used in operating activities	(12,049)	578,593
(b) Statement of cash flows		
Cash flows from operating activities	(12,049)	578,593
Net cash used in investing activities	(12,049)	578,593
Change in cash and cash equivalents in the year	(12,049)	578,593
Cash and cash equivalents at 1 August	666,947	88,354
Cash and cash equivalents at 31 July	654,898	666,947

Analysis of changes in net funds:

	At 1 August 2020 £	Cash flows £	At 31 July 2021 £
Cash	666,947	(12,049)	654,898
Total net funds	666,947	(12,049)	654,898

Notes to the financial statements – year ended 31 July 2021

1. Accounting policies

a. Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is incorporated in the UK and is public benefit entity as defined by FRS 102.

b. Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The Trustees have considered the impact of the Covid-19 pandemic, reviewed financial position, reserves levels and future plans and this has given the Trustees confidence that the charity remains a going concern into the future.

c. Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

d. Income

All income (including government grants) is included in the statement of financial activities when there is evidence of entitlement to the income, receipt is probable and its amount can be measured reliably.

e. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributable to a particular heading, they have been allocated to activities on a basis consistent with the use of the resource.

Direct costs, including directly attributable salaries, are allocated on the basis of time to the key strategic areas of activity.

Overheads and other salaries are allocated between activities on the bases of usage, i.e. the same basis as expenditure incurred directly in undertaking the activity.

Governance costs are those incurred in connection with management of MSC Assessment's assets, the organisation's administration and compliance with constitutional and statutory requirements.

f. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation as a result of a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

g. Debtors

Short term debtors are measured at transaction price, less any impairment.

h. Employee benefits

Staff are employed by Universities UK and costs recharged to MSC Assessment. Detail of pension schemes and employee benefits are available in the financial statements of Universities UK.

Notes to the financial statements – year ended 31 July 2021

2. Grants and contracts

	Total 2021 £	Total 2020 £
Health Education England*	65,000	35,675
Cardiff University Medical School	14,950	—
	<u>79,950</u>	<u>35,675</u>

* Grants and contracts from government and government agencies

3. Analysis of total resources expended

	Direct costs £	Support costs £	Total 2021 £
Charitable activities:			
Exam activities	<u>398,555</u>	<u>72,849</u>	<u>471,404</u>

	Direct cost £	Support costs £	Total 2020 £
Charitable activities:			
Exam activities	<u>968,696</u>	<u>146,604</u>	<u>1,115,300</u>

4. Support costs allocations

	Premises costs £	Governance costs £	Finance / IT costs £	Office/Admin costs £	Total 2021 £
Charitable activities:					
Exam activities	<u>25,081</u>	<u>9,270</u>	<u>33,958</u>	<u>4,540</u>	<u>72,849</u>

	Premises costs £	Governance costs £	Finance / IT costs £	Office/Admin costs £	Total 2020 £
Charitable activities:					
Exam activities	<u>33,425</u>	<u>12,402</u>	<u>59,570</u>	<u>41,207</u>	<u>146,604</u>

Notes to the financial statements – year ended 31 July 2021

4. Support costs allocations (continued)

Governance costs comprise:

	Total 2021	Total 2020
	£	£
External audit	2,280	2,160
Staff cost allocation	6,990	10,242
	9,270	12,402

Other direct costs include:

	Total 2021	Total 2020
	£	£
Auditors' remuneration:		
Audit services	2,280	2,160

5. Staff

Total staff costs including full and part time employees were:

	Total 2021	Total 2020
	£	£
Wages and salaries	227,172	237,127
Social security costs	24,401	25,837
Pensions	59,713	70,266
	311,286	333,230

The average number of employees throughout the period was:

	Total 2021	Total 2020
	£	£
Charitable staff	4.0	4.8
Governance	0.1	0.1
Support staff	0.2	1.2
	4.3	6.1

MSC Assessment has no full-time staff and draws on members of the Medical School Council's team in different proportions. Information regarding employees whose emoluments exceeded £60,000 is disclosed in the financial statements of the parent charity, the Medical Schools Council.

Notes to the financial statements – year ended 31 July 2021

6. Trustees' emoluments and emoluments of other senior key personnel

During the year no travel or accommodation expenses were reimbursed to trustees (2020: £192 to one trustee).

One Trustee was employed by Universities UK as an Academic Applied Knowledge Test Lead and costs were reimbursed by the Medical Schools Council. Costs including pension contributions and employers' national insurance were £8,266 (2020: nil).

The total employee benefits of the Chief Executive who is considered to be key management personnel (in addition to trustees) is disclosed in the financial statements of the parent charity, the Medical Schools Council.

7. Taxation

The charity is exempt from corporation tax under sections 466-497 of the Corporation Taxes Act 2010 as all its income is applied for charitable purposes.

8. Debtors

	Total 2021 £	Total 2020 £
Trade debtors	77,419	88,787
Prepayments and accrued income	5,106	3,115
	<u>82,525</u>	<u>91,902</u>

9. Creditors: amounts falling due within one year

	Total 2021 £	Total 2020 £
Trade creditors	64,473	93,436
Accruals and deferred income	49,862	83,842
	<u>114,335</u>	<u>177,278</u>

10. Movement in funds

	At 1 August 2020 £	Incoming resources £	Resources expended £	Transfers £	At 31 July 2021 £
Unrestricted funds					
Total funds	<u>581,571</u>	<u>512,921</u>	<u>(471,404)</u>	<u>—</u>	<u>623,088</u>

There were no restricted funds in either the current or prior year.

Notes to the financial statements – year ended 31 July 2021

11. Pension

Staff are employed by Universities UK and costs recharged to MSC Assessment. Universities UK participates in two pension schemes: the Universities Superannuation Scheme (USS), and the Superannuation Arrangements of the University of London (SAUL). Further details of these schemes are available in the financial statements of Universities UK.

12. Related party transactions

The charitable company has taken advantage of the exemption available in section 33 of FRS102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group. Universities UK is the ultimate parent company and the results of the Medical Schools Council and MSC Assessment have been consolidated into the financial statements of Universities UK.

The charitable company had no other related party transactions for the period.

13. Members

The charity is incorporated as a private company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 July 2021 there was one member, the Medical Schools Council.

MSC ASSESSMENT

England & Wales - Charity number 1153045

Accounts

Charity Number: 1153045

Company Number: 8578576

MSC ASSESSMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

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Trustees' report

The trustees, who are also the directors of the charity for the purposes of the Companies Act, present their report and financial statements for MSC Assessment for the year ended 31 July 2020. This report is also the directors' report for the purposes of the Companies Act and includes the elements of the strategic report.

Objects and activities for the public benefit

The object of the charity is to advance medical education for the benefit of the public including, without limitation, by the preparation, validation, accreditation, conduct and administration of any tests, examinations or other systems of assessing, evaluating and recording any aspect of medical education and training.

Mission

MSC Assessment's mission is to develop and deliver, for ultimate patient benefit, assessments of the highest quality and to conduct research to develop the evidence base.

Public Benefit

All MSC Assessment's activities are ultimately carried out for the wider public benefit of ensuring that trainee doctors are suitably qualified through appropriate training and assessment.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. In the delivery of its services and activities MSC Assessment has fully supported its members, and in so doing assisted them to achieve their goals. The service delivered is the development of high quality exam questions for the Prescribing Safety Assessment (PSA) and for the assessments used in medical school exams in the UK. MSC Assessment also invests in the creation of a platform to create and quality assure the items, to construct exam papers and to deliver the assessments remotely on agreed dates and at specific locations across the UK and to UK campuses overseas. MSC Assessment undertakes analysis of the performance of the individual items in order to optimise the quality of future exams. It conducts research to ensure assessment has a sound evidence base.

Collectively, the institutions led by the members of MSC Assessment demonstrate their wide social and economic contribution through the delivery of research, teaching, assessment, expertise and training. Medicine in the UK is unique in proactively taking steps to assure a minimum competence level and equivalence of passing standards. Higher education is available to all with the ability to benefit, regardless of their economic circumstances. The benefits of this activity to the UK are considerable.

Aims

The strategic aim of MSC Assessment is to ensure that international best practice is followed in the development and delivery of assessments of the highest quality. The purpose of this is not only to ensure that students are assessed fairly but also that patient safety is protected by confirming equivalence of standards across medical schools.

Activities to meet these aims in 2019–20

MSC Assessment carries out exam development and delivery.

MSC Assessment took on the assessment activities, assets and liabilities from MSC in January 2014 as a going concern, and in consideration for this MSC transferred to MSC Assessment the intellectual property, goodwill and cash in hand held by MSC in relation to the delivery of Situational Judgement tests (SJT) pursuant to the existing MoU with Health Education England (HEE). Subsequently, annual contracts were signed between MSC Assessment and HEE, but Trustees agreed they did not wish to bid for the contract to deliver the SJT online from 2020 and so on 31 March 2020 the contract terminated. However MSC Assessment was successful in agreeing a licence with HEE to provide the SJT items (in

Trustees' report

which it hold the copyright) for a period of four years in exchange for an annual fee. A fee was also agreed for the production of Educational performance measures in 2021–23.

In addition to the Situational Judgement Test, MSC Assessment is working with the British Pharmacological Society to deliver a Prescribing Safety Assessment which seeks to enhance patient safety by assessing the prescribing skills of new doctors in the NHS.

Achievements and performance in 2019–20

During the year, MSC Assessment successfully delivered the Situational Judgement Test for FP2020. It also successfully delivered the Prescribing Safety Assessment to all final year UK medical students on four dates between February and June 2020. The assessments in May and June were delivered remotely as a result of the COVID-19 pandemic and the lockdown which was effective from 23 March 2020.

The Collaboration Agreement with the British Pharmacological Society (BPS) setting out the terms for the future delivery of the PSA to medical students and foundation doctors in the UK, Ireland and Malta, signed on 26 October 2016 continues to work well. MSC Assessment and the BPS commissioned an Independent Review of the PSA in 2019. Professor McLachlan concluded that the processes underlying item development, standard setting and delivery are of a high standard and are comparable with other national level tests.

The Prescribing Safety Assessment took place as normal in February and March using the new platform but had to be delivered remotely on 11 May 2020 and 5 June 2020. New guidance for remote delivery was produced and schools were supported through the process. In all cases the assessment ran smoothly.

In May the PSA was announced as the winner in the category of medical education and training at the RCP Excellence in Patient Care Awards 2020. The awards recognise projects involving the development of medical education and training programmes, services or structures that have improved the quality of patient care delivered, whether on a local or wider scale.

Assessment

A subgroup of the MSC Assessment Alliance has created a bank of 500 quality assured questions to support schools as they moved to delivering exams remotely during the lockdown. These are at finals level and have been used in a number of different ways, *eg* finals, resits, progression testing etc. The group also created a pool of 400 questions for medical schools to use in earlier years. Both pools were drawn from the main MSC Assessment item bank. MSC has assisted medical schools with using the MSC Assessment exam platform for delivering their exams remotely. This has included a mixture of summative and formative assessments and is across all year groups. As of June 2020 over 177 exams across 19 medical schools, and involving thousands of students, were taken during the lockdown using the platform.

A new mailing list was created to help clinical assessment leads in schools share information and best practice in delivering clinical assessments during the lockdown and to help with planning for the next academic year when restrictions may still be in place or continue to cause disruption. A pool of resources has been made available to schools and include example stations, instructions and timings for remote delivery.

Ongoing assessment activity continued and the team adapted to delivering much of this online. Item review events that would normally involve a three-day meeting in order to produce 500 new questions for the item bank were delivered instead over a two-week period using Zoom.

Trustees' report

The most significant development for MSC Assessment came at the end of the year when the GMC accepted that its proposed Medical Licensing Assessment should in fact be led and delivered by the UK universities with medical schools and regulated by the GMC. A joint statement was issued on 24 July 2020 and read as follows:

GMC and MSC welcome agreement on MLA delivery model

The UK's medical schools and parent universities have agreed to develop and deliver the Medical Licensing Assessment (MLA) that will be embedded within final exams for a UK medical degree. Their work will be overseen and regulated by the General Medical Council. To date UK medical schools have set their final exams independently in line with the GMC's Outcomes for graduates. The major benefit of the MLA is that it will, for the first time, be possible to demonstrate that graduates from each medical school have met an agreed standard of proficiency and are well prepared to practise medicine as Foundation Year doctors. The MLA will provide assurance that anyone who obtains a UK medical degree has shown that they can meet a common and consistent threshold for safe practice before they are licensed to work in the UK.

The agreement means that the GMC will:

- Define the range of professional skills, knowledge and behaviours a candidate needs to have achieved to be ready to practise medicine in the UK;
- Approve procedures to compile test questions and papers, set standards and run exams;
- Take corrective action if, through its quality assurance processes, it considers that standards are not met;
- Be responsible for using information and data from the UK exams to apply a consistent approach to the assessment of international medical graduates.

Under this agreement UK university medical schools will continue to develop and deliver their own curricula and prepare students for the MLA which will be regulated by the GMC. The exam will consist of two parts – an applied knowledge test (AKT), and a clinical and professional skills assessment (CPSA).

Under this approach the UK's medical schools will work together to:

- Introduce an AKT that is centrally set for all UK medical schools with a common format, test standard, delivery process and policy framework;
- Share insight and information from their work to establish the UK applied knowledge test so that the MLA can be evaluated and reviewed over time.

All of the UK's medical schools and their parent universities have agreed that the assessment will be built on the MLA content map published by the GMC in 2019, and based on Good medical practice, Outcomes for graduates and the Generic professional capabilities framework.

A process of phased introduction will begin from 2021 with robust testing and piloting, and the assessment will be fully implemented for students graduating from UK medical schools from the academic year 2024/25.

-ENDS-

The move to common assessments with a common passing standard will involve a great deal of additional work for MSC Assessment. A Transitional Group is being convened to handover work from the GMC to the MSC. Budgets and Risk Registers are in the process of being constructed.

Trustees' report

Financial Review

The statement of financial activities for the year is set out on page 11 and the balance sheet on page 12 of the financial statements. A summary of the financial results and position is given below.

	Total 2020 £'000	Total 2019 £'000
Income	840	876
Expenditure	(1,115)	(854)
Surplus and net movement in funds	(275)	22
Funds brought forward	857	835
Funds carried forward	582	857

Reserves Policy

The policy is to ensure that sufficient funds are available to meet current commitments, and any exceptional expenditure and to develop plans to scale up as plans evolve to deliver the UK Medical Licensing Assessment

Total funds at 31 July 2020 were £581,571 (2019: £856,581), and these funds are all available for application and so represent the free reserves balance. This is equal to 6 months of expenditure (2019: 12 months). The trustees are satisfied that reserves levels are in line with the policy of holding reserves to meet planned commitments.

Future Plans

Our plans for 2020–21 are to set in place arrangements to pilot the Medical Licensing Assessment over the next 4 years in preparation for live delivery in 2024–25. The work of the Assessment Alliance will continue - in particular its research role. Further investments will be made in the delivery platform and its possible commercialization will be considered.

Structure, governance and management

The name of the charity (charity registration no. 1153045), which is a company limited by guarantee (company no. 8578576) is MSC Assessment.

Member

The sole member of MSC Assessment is the Medical Schools Council.

Organisation

MSC Assessment is a company limited by guarantee. It was registered in England and Wales on 20 June 2013 and began trading on 1 February 2014. The governing document of the organisation is the Articles of Association adopted in June 2013. It was registered with the Charity Commission as a charity on 23 July 2013 and was registered with the Information Commissioner's office on 26 February 2014.

The Chief Executive leads a team comprising a policy and projects adviser, a part-time senior policy officer and a team administrator.

Trustees' report

Governance and decision-making

The trustees are all nationally renowned clinical academics, one of whom is the elected Chair of the Medical Schools Council Executive Board and another is the Chair of the MSC Assessment Alliance. Four trustees have to be currently active in MSC assessment activities and are recommended by their peers to fill any gaps as Trustees come to the end of their terms of office. Three terms of three years are permitted. Four trustees also sit on the PSA Executive Committee, the group which oversees the development and delivery of the Prescribing Safety Assessment. The trustees meet at least twice a year.

Induction and training of trustees

New trustees receive information supporting their induction which includes the provision of a mentor and an extended briefing session with the Chief Executive. The organisation updates trustees and members on any new information that may affect the governance of the charity and offers ongoing support through additional training when required.

Arrangements for setting pay and remuneration of key management

Member support for the work of MSC Assessment is on a non-remunerated basis.

The pay and remuneration of the Chief Executive, the key senior executive manager, who is also Chief Executive of the Medical Schools Council, is set by the Executive Committee of the Medical Schools Council in consultation with Universities UK. A time-based proportion of her salary is recharged to MSC Assessment.

Executive management

The Chief Executive leads a permanent Medical Schools Council team of policy advisers and officers, communications officers and a data scientist. A time-based proportion of salaries is recharged to MSC Assessment. Details of recharged staff costs and numbers are given in note 5 to the financial statements.

Principal risks and uncertainties

MSC Assessment has a detailed risk management strategy which is updated three times a year. The key risks include:

- The COVID-19 pandemic
- Sub-optimal engagement from medical schools
- Failure to develop sufficient well-performing exam questions
- Last minute unavailability of a test venue
- Loss of questions
- Security breach compromises exam
- Volume of work exceeds staff available

These risks are managed by ensuring that staff and stakeholders are actively engaged in all aspects of policy development and execution.

Political and Charitable Donations

The company made no political or charitable donations in the year.

Funding Sources

Income comes from subscriptions raised from members to permit access to the item bank and from licences to other organisations to use items in which MSC Assessment holds the copyright. MSC Assessment does not fundraise from the public

Trustees' report

Reference and administrative information

Trustees

The members of the MSC Assessment Board (directors and trustees of the company) appointed for the year ended 31 July 2020 were as follows:

Professor Tony Weetman (Chair)

Professor Mark Gurnell

Professor Ian Hall

Professor Jenny Higham

Resigned 4 November 2019

Professor Malcolm Reed

Professor Kate Thomas

Professor Val Wass

No member of the MSC Assessment Board had a beneficial interest in any contract with the charity.

Chief Executive and Company Secretary:

Dr Katie Petty-Saphon

Registered Office

Woburn House

20 Tavistock Square

London

WC1H 9HD

Bankers

National Westminster Bank plc

PO Box 83

Tavistock House

Tavistock Square

London

WC1H 9XA

Solicitors

Womble Bond Dickinson

4 More London Riverside

London

SE1 2AU

Auditors

Haysmacintyre LLP

10 Queen Street Place

London

EC4R 1AG

Trustees' report

Statement of Trustees' Responsibilities

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

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing 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 judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Audit Information

So far as each of the trustees at the time the Trustees' Report is approved is aware:

- there is no relevant information of which the auditors are unaware; and
- they have taken all relevant steps 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.

Auditor

Haysmacintyre LLP has indicated its willingness to continue as auditor, subject to re-appointment at the next Universities UK annual general meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



Katie Petty-Saphon
Chief Executive
15 October 2020



Professor Tony Weetman
Chair
15 October 2020

Statement of financial activities for the year ended 31 July 2020

Opinion

We have audited the financial statements of MSC Assessment for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Statement of financial activities for the year ended 31 July 2020

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

a. Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives the Trustees confidence that the charity remains a going concern into the future.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which incorporates the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report (which incorporates the Directors' Report) has been prepared in accordance with applicable legal requirements.

Statement of financial activities for the year ended 31 July 2020

Matters on which we are required to report by exception

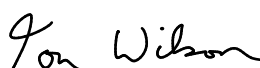
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board (which incorporates the Directors' Report).

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 by the parent charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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.



Thomas Wilson, Senior Statutory Auditor
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 23 October 2020

Statement of financial activities for the year ended 31 July 2020

		Unrestricted Funds 2020 £	Unrestricted Funds 2019 £
Income and expenditure	Notes		
Income from:			
Income from charitable activities			
. Subscriptions from membership		393,090	—
. Grants and contracts	2	35,675	875,000
. Other income		411,525	1,047
Total income		<u>840,290</u>	<u>876,047</u>
Expenditure on:			
Charitable activities			
. Exam activities	3	<u>1,115,300</u>	<u>854,394</u>
Total expenditure		<u>1,115,300</u>	<u>854,394</u>
Net expenditure		<u>(275,010)</u>	<u>21,653</u>
Gross transfers between funds		—	—
Net movements in funds		<u>(275,010)</u>	<u>21,653</u>
Total funds at 1 August 2019		<u>856,581</u>	<u>834,928</u>
Total funds at 31 July 2020	10	<u>581,571</u>	<u>856,581</u>

All activities are continuing and all funds are unrestricted. There are no gains or losses other than those disclosed in the statement of financial activities.

The notes on pages 14 to 18 form part of these financial statements.

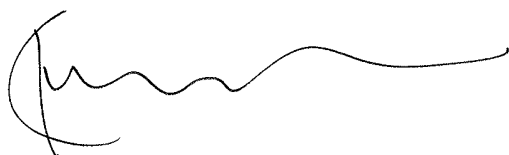
Balance sheet as at 31 July 2020

	Notes	2020 £	2019 £
Current assets			
Debtors	8	91,902	879,674
Cash at bank and in hand		666,947	88,354
		<u>758,849</u>	<u>968,028</u>
Current liabilities: amounts falling due within one year			
	9	(177,278)	(111,447)
Net current assets		<u>581,571</u>	<u>856,581</u>
Net assets		<u>581,571</u>	<u>856,581</u>
Funds and reserves			
Unrestricted funds	10	<u>581,571</u>	<u>856,581</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board of Directors and authorised for issue on 15 October 2020.

Signed on their behalf:



Katie Petty-Saphon

Chief Executive



Professor Tony Weetman

Chair

Company Number: 8578576

The notes on pages 14 to 18 form part of these financial statements

Cash flow statement – year ended 31 July 2020

	2020 £	2019 £
(a) Reconciliation of net income to net cash flow from operating activities		
Net (expenditure) / income for the year	(275,010)	21,653
Decrease /(increase) in debtors	787,772	(844,929)
Increase in creditors	65,831	1,204
Net cash used in operating activities	<u>578,593</u>	<u>(822,072)</u>
(b) Statement of cash flows		
Cash flows from operating activities	578,593	(822,072)
Net cash used in investing activities	<u>578,593</u>	<u>(822,072)</u>
Change in cash and cash equivalents in the year	<u>578,593</u>	<u>(822,072)</u>
Cash and cash equivalents at 1 August	88,354	910,426
Cash and cash equivalents at 31 July	<u>666,947</u>	<u>88,354</u>

Notes to the financial statements – year ended 31 July 2020

1. Accounting policies

b. Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is incorporated in the UK and is public benefit entity as defined by FRS 102.

c. Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

d. Income

All income (including government grants) is included in the statement of financial activities when there is evidence of entitlement to the income, receipt is probable and its amount can be measured reliably.

e. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributable to a particular heading, they have been allocated to activities on a basis consistent with the use of the resource.

Direct costs, including directly attributable salaries, are allocated on the basis of time to the key strategic areas of activity.

Overheads and other salaries are allocated between activities on the bases of usage, i.e. the same basis as expenditure incurred directly in undertaking the activity.

Governance costs are those incurred in connection with management of MSC Assessment's assets, the organisation's administration and compliance with constitutional and statutory requirements.

f. Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Recognition of liabilities is on an accruals basis.

g. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation as a result of a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

h. Debtors

Short term debtors are measured at transaction price, less any impairment.

i. Employee benefits

Staff are employed by Universities UK and costs recharged to MSC Assessment. Detail of pension schemes and employee benefits are available in the financial statements of Universities UK.

Notes to the financial statements – year ended 31 July 2020

2. Grants and contracts

	Total 2020 £	Total 2019 £
Health Education England*	35,675	850,000
Medical Schools Council	—	25,000
	<u>35,675</u>	<u>875,000</u>

* Grants and contracts from government and government agencies

3. Analysis of total resources expended

	Direct costs £	Support costs £	Total 2020 £
Charitable activities:			
Exam activities	<u>968,696</u>	<u>146,604</u>	<u>1,115,300</u>

	Direct cost £	Support costs £	Total 2019 £
Charitable activities:			
Exam activities	<u>749,825</u>	<u>104,569</u>	<u>854,394</u>

4. Support costs allocations

	Premises costs £	Governance costs £	Finance / IT costs £	Office/Admin costs £	Total 2020 £
Charitable activities:					
Exam activities	<u>33,425</u>	<u>12,402</u>	<u>59,570</u>	<u>41,207</u>	<u>146,604</u>

	Premises costs £	Governance costs £	Finance / IT costs £	Office/Admin costs £	Total 2019 £
Charitable activities:					
Exam activities	<u>15,130</u>	<u>11,778</u>	<u>27,146</u>	<u>50,515</u>	<u>104,569</u>

Notes to the financial statements – year ended 31 July 2020

4. Support costs allocations (continued)

Governance costs comprise:

	Total 2020	Total 2019
	£	£
External audit	2,160	1,992
Staff cost allocation	10,242	9,786
	12,402	11,778

Other direct costs include:

	Total 2020	Total 2019
	£	£
Auditors' remuneration:		
Audit services	2,160	1,992

5. Staff

Total staff costs including full and part time employees were:

	Total 2020	Total 2019
	£	£
Wages and salaries	237,127	134,828
Social security costs	25,837	14,477
Pensions	70,266	31,008
	333,230	180,313

The average number of employees throughout the period was:

	Total 2020	Total 2019
	£	£
Charitable staff	4.8	3.2
Governance	0.1	0.1
Support staff	1.2	1.1
	6.1	4.4

MSC Assessment has no full-time staff and draws on members of the Medical School Council's team in different proportions. Information regarding employees whose emoluments exceeded £60,000 is disclosed in the financial statements of the parent charity, the Medical Schools Council.

Notes to the financial statements – year ended 31 July 2020

6. Trustees' emoluments and emoluments of other senior key personnel

No trustees received any remuneration for their services.

During the year accommodation expenses of £192 was reimbursed to one trustee (2019: nil).

The total employee benefits of the Chief Executive who is considered to be key management personnel (in addition to trustees) is disclosed in the financial statements of the parent charity, the Medical Schools Council.

7. Taxation

The charity is exempt from corporation tax under sections 466-497 of the Corporation Taxes Act 2010 as all its income is applied for charitable purposes.

8. Debtors

	Total 2020 £	Total 2019 £
Trade debtors	88,787	850,000
Prepayments and accrued income	3,115	29,674
	<u>91,902</u>	<u>879,674</u>

9. Creditors: amounts falling due within one year

	Total 2020 £	Total 2019 £
Trade creditors	93,436	109,246
Accruals and deferred income	83,842	2,201
	<u>177,278</u>	<u>111,447</u>

10. Movement in funds

	At 1 August 2019 £	Incoming resources £	Resources expended £	Transfers £	At 31 July 2020 £
Unrestricted funds					
Total funds	<u>856,581</u>	<u>840,290</u>	<u>(1,115,300)</u>	<u>—</u>	<u>581,571</u>

There were no restricted funds in either the current or prior year.

Notes to the financial statements – year ended 31 July 2020

11. Financial instruments

	Total 2020 £	Total 2019 £
Financial assets measured at amortised cost:		
Trade debtors	88,787	850,000
Cash	666,947	88,354
	<u>755,734</u>	<u>938,354</u>
Financial liabilities measured at amortised cost	<u>177,278</u>	<u>111,447</u>

Financial assets measured at amortised cost comprise trade debtors and cash.

Financial liabilities measured at amortised cost are creditors.

12. Pension

Staff are employed by Universities UK and costs recharged to MSC Assessment. Universities UK participates in two pension schemes: the Universities Superannuation Scheme (USS), and the Superannuation Arrangements of the University of London (SAUL). Further details of these schemes are available in the financial statements of Universities UK.

13. Related party transactions

The charitable company has taken advantage of the exemption available in section 33 of FRS102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

The charitable company had no other related party transactions for the period.

14. Members

The charity is incorporated as a private company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 July 2020 there was one member, the Medical Schools Council.