

**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.

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

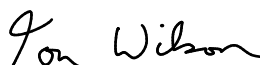
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board (which incorporates the Directors' Report).

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

Date: 23 October 2020

10 Queen Street Place  
London  
EC4R 1AG

## Statement of financial activities for the year ended 31 July 2020

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

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.

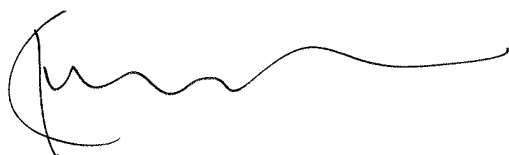
## Balance sheet as at 31 July 2020

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

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

# 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

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

\* Grants and contracts from government and government agencies

### 3. Analysis of total resources expended

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

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

### 4. Support costs allocations

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

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

## Notes to the financial statements – year ended 31 July 2020

### 4. Support costs allocations (continued)

Governance costs comprise:

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

Other direct costs include:

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Auditors' remuneration:		
Audit services	<b>2,160</b>	1,992

### 5. Staff

Total staff costs including full and part time employees were:

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

The average number of employees throughout the period was:

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Charitable staff	<b>4.8</b>	3.2
Governance	<b>0.1</b>	0.1
Support staff	<b>1.2</b>	1.1
	<b>6.1</b>	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

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

### 9. Creditors: amounts falling due within one year

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

### 10. Movement in funds

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

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.