

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

**REPORT AND GROUP FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2020**



*Paul Jackson, HSF Group Chief Executive, presenting a grant cheque for €13,500 to Connemara Therapeutic Riding, County Galway, in January 2020*

Registered Company Number: 6039284  
Registered Charity Number: 1123381

**THE HOSPITAL SATURDAY FUND**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

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<b>CONTENTS</b>	<b>Page</b>
Officers and Advisers	1
Report of the Board of Trustees	2 - 12
Independent Auditors' Report	13 - 19
Consolidated Income Statement	20
Consolidated Statement of Financial Activities	21
Group and Charity Balance Sheets	22
Group Statement of Cash Flows	23
Notes to the Financial Statements	24 - 40

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

**REPORT OF THE BOARD OF TRUSTEES**

**YEAR ENDED 31 DECEMBER 2020**

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**OFFICERS AND ADVISERS**

<i>Chairman</i>	Mr. J Greenwood
<i>Vice Chairman</i>	Mr. D Thomas
<i>Other Trustees</i>	Mrs J L Dalton LLB (Hons) Mr M Davies Professor P W Palmer BA(Hons) PhD FCIS FIIA DChA FRSH Mr J Randel Mrs M Rogers
<i>Chief Executive</i>	Mr P W Jackson MSc BA (Hons) DChA
<i>Company Secretary</i>	Mrs Pauline Jones CertPFS
<i>Patron</i>	Ms. L Garrett CBE FRAM
<i>Principal Bankers</i>	HSBC Bank Plc, London Commercial Banking Centre, Level 6, 71 Queen Victoria Street, London, WC2R 1DJ
<i>Solicitors</i>	Armstrong Teasdale 200 Strand, London, EC2M 2AN
<i>Auditors</i>	MHA MacIntyre Hudson 6 <sup>th</sup> Floor, 2 London Wall Place London EC2Y 5AU
<i>Investment Managers</i>	UBS AG 5 Broadgate London EC2M 2AN
<i>Registered Office</i>	24 Upper Ground LONDON SE1 9PD  Telephone: 020 7202 1365 Fax: 020 7928 0446 Email: <a href="mailto:charity@hsf.eu.com">charity@hsf.eu.com</a>

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

**REPORT OF THE BOARD OF TRUSTEES**

**YEAR ENDED 31 DECEMBER 2020**

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The Board of Trustees is pleased to present the 14<sup>th</sup> Annual Report comprised of the Report of the Board of Trustees and Strategic Report and the audited financial statements for the year ended 31 December 2020.

**STRATEGIC REPORT**

**Summary**

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

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

**Services Agreement**

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

**OBJECTIVES AND ACTIVITIES**

**Charitable Objects**

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

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

**Impact**

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

**PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR**

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

**Grants made in the year**

During 2020, HSF processed 197 applications on behalf of individuals and, after careful assessment by the Grant Making Committee, 153 were awarded a grant making a total of £90,780 (2019: £105,752) for the year. A further total of £1,242,622 (2019: £1,444,927) was awarded to 414 medical charities, hospices and hospitals including the special medical school grant. The following pages show a chart and table analysing the grants made in the year by type and by geographical spread. Following these charts are examples of the feedback received from recipients which emphasise the public benefit achieved by the grants.

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

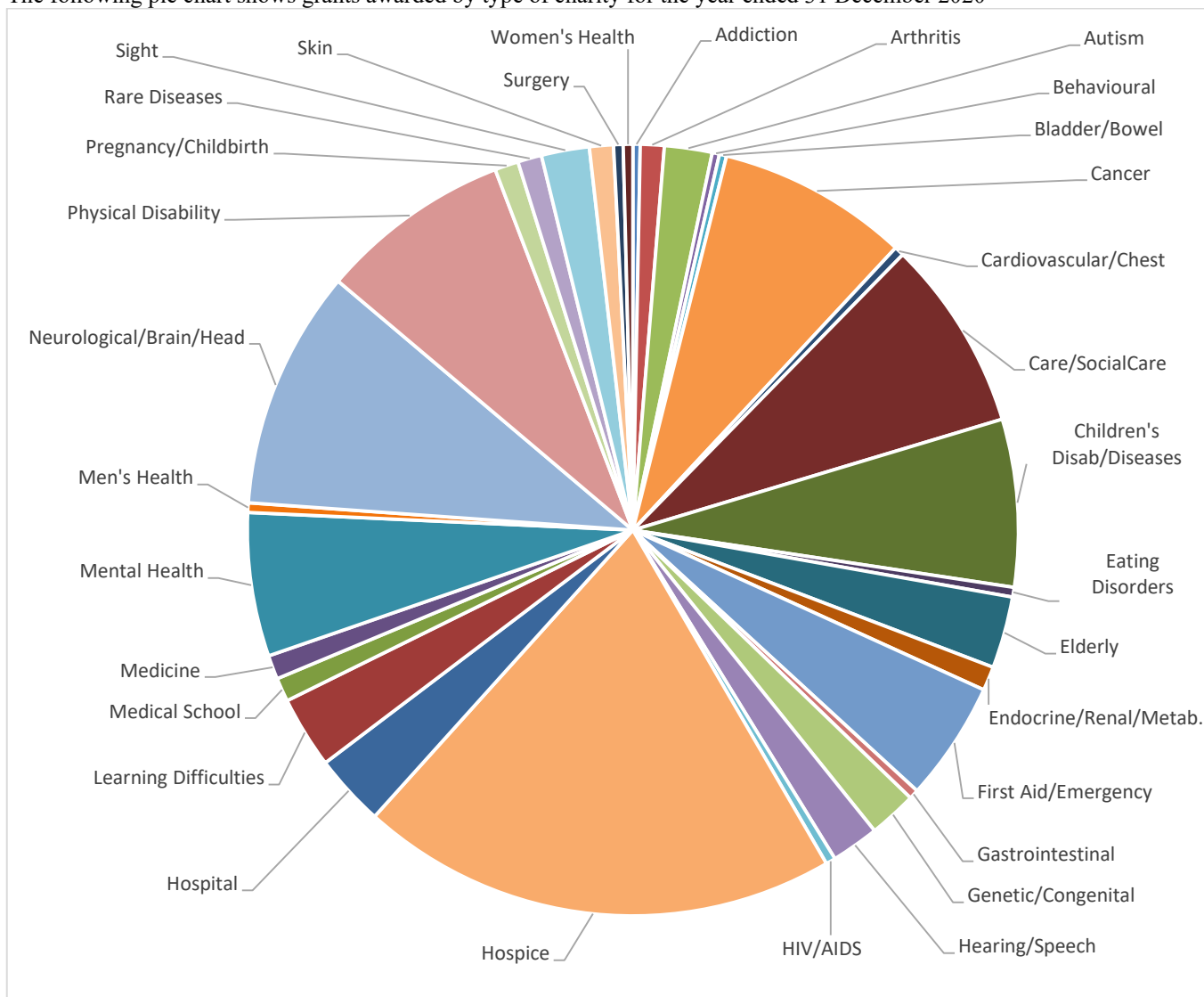
**YEAR ENDED 31 DECEMBER 2020**

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

**Annual Receptions**

The Board endeavours to hold a Reception each year in order to present grants in person to representatives of medical charities, hospices and hospitals. The Trustees held a Reception on 20 February at the Mansion House in Dublin was hosted by Tom Brabazon, the Lord Mayor of Dublin, Vice-President of The Hospital Saturday Fund. A total of £104,000 was donated that evening to 26 different organisations.

The following pie chart shows grants awarded by type of charity for the year ended 31 December 2020



The vast majority of grants awarded were for £2,000 (or €3,000), with 49 lesser donations being made. During 2020, 64 higher grants ranging between £2,000 and £10,000 (or €3,000 and €13,500) were awarded to charities where a specific need was deemed by the Committee to warrant a larger award.

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

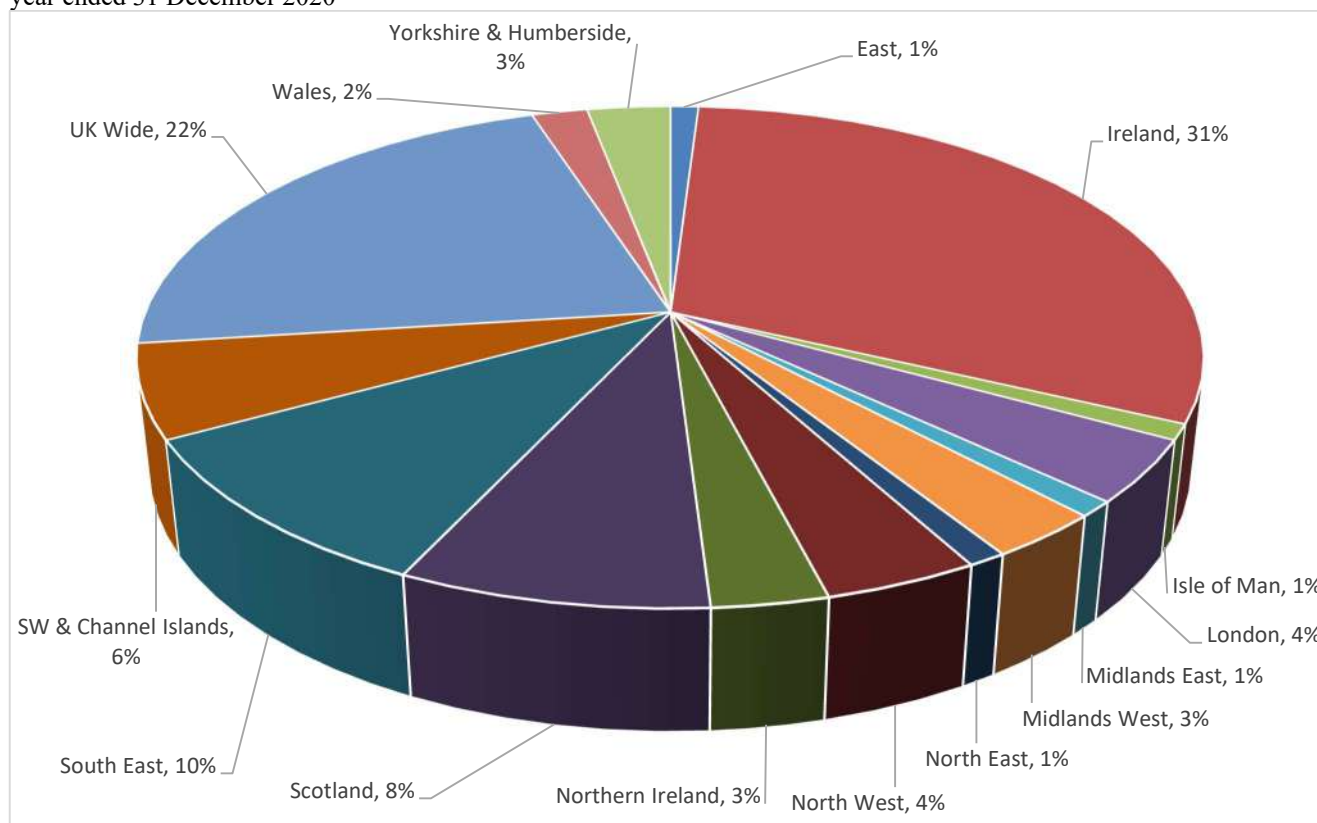
**THE HOSPITAL SATURDAY FUND**  
**(A Company Limited by Guarantee)**

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

**YEAR ENDED 31 DECEMBER 2020**

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

Grants are made to both local and national institutions. The following pie chart shows grants awarded by region for the year ended 31 December 2020



Organisations receiving grants ranged from Katie Piper Foundation, Down Syndrome Scotland, Brain Tumour Charity, British Red Cross, Orthopaedic Research, Blood Bikes Leinster, Moorfields Eye Charity, East Anglian Air Ambulance, Cancer Fund for Children, Alzheimer Society of Ireland, Irish Therapy Dogs, Anthony Nolan Trust, Parkinson's Association of Ireland, Young Epilepsy, Cerebral Palsy Scotland, Ty Hafan Children's Hospice, Cork Association for Autism, Leonard Cheshire Isle of Man, St Mark's Hospital Foundation, Cure Leukaemia.

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

**Covid-19**

The Trustees with the support of the Charity's senior management team had decided to change Grant-making activities during the period from April to June 2020 in order to meet challenges of Covid-19. During the spring and early summer, a skeleton staff (working from home) managed to administer 102 grants to charities across the UK and Ireland for such things as PPE and medical helplines. The charities we supported included Richard House Children's Hospice London, the Martha Trust, the Princess Alice Hospice, Angel Eyes Northern Ireland, Laura Lynn Children's Hospice Dublin and Heart Children Ireland. The Trustees are rightly proud that the Hospital Saturday Fund was able to help people during a time when they needed us most.

**Fund Raising**

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

**Evaluation process**

In meeting the Charities Act requirement to demonstrate public benefit through the grant making process, Trustees consider not only the recipient charities and their applications but also the impact the past awards have had. As such, the Trustees ensure that feedback from recipients is obtained where possible and reviewed for evidence of the grant being used for its correct purpose.

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

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

**YEAR ENDED 31 DECEMBER 2020**

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

Condensed versions of updates received from grantees are available on our website: <https://www.hospitalsaturdayfund.org/news-archive>. Amongst others, updates on the website relating to work supported by the Hospital Saturday Fund in 2020 refer to:

- A grant for their medical elective programme (University College Dublin)
- To help fund research into genetic factors influencing sepsis survival (Sepsis Research)
- To provide a mental health support programme (Irish Men's Sheds)
- Towards increasing support programmes for sufferers (British Tinnitus Association)
- A grant towards providing experiences for disabled children (Douglas Bader Foundation)
- To fund life saving drugs and medical gases (Exmoor Search and Rescue)
- To help fund research into colonoscopy efficiency (St Mark's Hospital Foundation)
- A grant for a new bed (Greenwich & Bexley Hospice)
- Funding toward Covid 19 support for children with brain conditions (Cerebra)
- A grant towards a hospital patient support service (Jo's Cervical Cancer Trust)
- To help fund a mobile unit for community cancer awareness across Ireland (Marie Keating Foundation)
- A grant for a replacement oven (Shooting Star Children's Hospice)
- Funding towards a vehicle upgrade (Blood Bike Leinster)
- A grant towards a nurse led helpline (British Liver Trust)
- To provide virtual workshops for cancer patients (Look Good Feel Better Ireland)
- To help fund an online mental health support programme (Arthritis Ireland)
- A grant towards Covid 19 support equipment (Birmingham St Mary's Hospice)
- To provide a therapeutic arts programme (Highland Hospice)
- A grant towards a support service for those with eating disorders (Linda Tremble Foundation)
- To help fund research into image guided sarcoma surgery (Orthopaedic Research UK)

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

**Grant to London's Air Ambulance**

The Hospital Saturday Fund have made an invaluable contribution to the work of London's Air Ambulance Charity over the years. The most recent grant awarded is helping us pay for the additional travel and accommodation expenses of our advanced trauma team as they support nationwide efforts to manage the impact of Covid-19. We are extremely grateful for this continued support.

**Grant to The Children's Trust**

Thank you so much for your lovely news of a grant towards the additional costs we have had to incur for Personal Protective Equipment. That's extremely generous of The Hospital Saturday Fund and is truly appreciated, particularly at this difficult time during the global coronavirus pandemic.

**Grant to Chronic Pain Ireland**

Please accept our sincerest gratitude for your ongoing support of our charity and please convey our thanks and gratitude to all involved in the decision making process. We can now roll out our talks and meetings to those struggling at this time and we are so thankful to you all.

**Grant to Heart Children Ireland**

Our Family Psychology Support Service is now our busiest and most sought after service. When you add the COVID-19 Pandemic into an already stressful situation for parents and families, we can fully understand this increase for support. The most recent grant approved by HSF to Heart Children Ireland comes at a critical time for this service. Due to the increase in demand for this support and the huge drop in our fundraising income we had to, for the first time since its inception, consider a reduction in this vital service. However, the awarding of the grant from HSF has secured our Family Psychology Support service for many months. We are forever grateful to you all.

**Grant to Thames Valley Air Ambulance**

The Hospital Saturday Fund awarded a grant to Thames Valley Air Ambulance towards the cost of vital training for our doctors and paramedics. It's hard to fully explain the impact this funding has had on the care we deliver but to quote a member of the team "This was the most valuable, and useful course I have attend in 18 years of service with TVAA, thank you!"

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

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

**YEAR ENDED 31 DECEMBER 2020**

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

**Grant to Tommy's**

We are so grateful for your support. Without our wonderful supporters, we simply wouldn't be able to make the progress that we have to improve care and make pregnancy safer for families.

**Grant to Shine**

I wanted to take this opportunity to say a very sincere thank you. Your donation will help us to continue to deliver specialist support and care throughout the lives of people with Spina Bifida and/or Hydrocephalus, and to make a positive difference to their lives. A very important privilege is having you as a supporter.

**Grant to Good Shepherd Cork**

That's terrific news! Thank you very much indeed for your support and efforts on our behalf. The grant will really make a positive difference to children struggling with the double disadvantages of ASD and homelessness.

**Grant to Cancer Fund for Children**

With coronavirus having a major impact on all our lives and organisations, I wanted to let you know how grateful we are for your very kind donation. Cancer, and how it affects children and their families, will unfortunately not stop during this unprecedented crisis. Thank you for supporting children and young people who need our help now more than ever. We couldn't do it without you.

**Grant to Irish Red Cross**

We are currently facing costs related to PPE including PPE equipment, uniforms, single issue items, and the cost of equipping our staff with items that are now required for hygiene and personal protection e.g. helmets, gloves, visors/masks, etc so your grant is indeed very much appreciated and welcomed and will go a long way towards covering these costs for our unit and volunteers. Thank you again for your generous support, we really appreciate it more than you can know.

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

**Grant for a Wheelchair**

I am really happy as I had bad news yesterday for open heart surgery and you have just put a smile on my face, thank you, thank you. I'm crying with joy, for once someone was willing to help me, I can't believe it, pinch me.

*Individual Grant Recipient*

**Grant for Speech Therapy**

Just to keep you updated, Tay has had four sessions of the new therapy and already he can say A, B, S and say 'mumma', 'more', 'me' and best of all he can moo like a cow! Please could you let the Trustees know and thank you all so, so much for helping in Tay's communication journey. He is finally starting to find his voice.

*Parent of Individual Grant Recipient*

**Grant for Mobility Equipment**

My grandson's key worker with Sense NI approached yourselves for a grant, to enable Jackson to be more mobile by using a mustang walker and after being told he would never walk, this has given him some independence. I want to thank you so much for the grant you've given him, to see him improve weekly is such a glorious sight to see. This will change his life and give him more confidence in being a bit more independent. Again thank you so much, you've no idea how grateful we are, especially Jackson.

*Family Member of Individual Grant Recipient*

**Grant for a Hoist**

Thank you so much for the recent grant cheque that we received from the HSF. This money will go towards a hoist in our daughter's new bedroom. It makes the job of bathing her so much easier and safer for us as her parents and for the carers who come in to help us in the evenings. Again, thank you so much for this donation - we will be forever grateful to HSF.

*Parent of Individual Grant Recipient*

**Grant for Communication Equipment**

I can definitely speak very highly of your charity. Your charity along with all the personalities there has helped me out so much over the years to the point that I would have been lost without you. You have given me so much independence and made it all worthwhile. Once again, thank you so much for this grant and the lovely generosity of your charity.

*Individual Grant Recipient*



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

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

**YEAR ENDED 31 DECEMBER 2020**

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



*Grant recipients at HSF's Dublin charity reception at the Mansion House, on 20<sup>th</sup> February 2020  
in the presence of Tom Brabazon, the Lord Mayor of Dublin, Vice-President of The Hospital Saturday Fund*

**FINANCIAL REVIEW**

**State of affairs**

The Group Statement of Financial Activities for the year is set out on page 21 and shows net incoming resources before investment gains and losses for the year of £4,380,024, (2019: £196,001). Net movement in funds for the year amounted to £8,870,730, after investment gains of £3,976,356 resulted in a net asset position as at 31 December 2020 of £43,353,303 (2019: £34,996,923). Of these funds, £24,151,135 is represented by the net assets of the trading subsidiary.

The trading company HSF health plan Ltd's total profit for the year was £7,252,628 (2019: £3,584,942). Total premiums (less Insurance Premium Tax) for the year were £31,008,019. Benefits payable (including Personal Accident premiums and helplines) for the year were £19,735,198 and represented 63.6% of premium income. The Directors consider the overall state of affairs to be satisfactory.

The trading company HSF Assist Ltd's total profit for the year was £18,693 (2019: £9,760). Total income for the year was £31,515 (2019: £22,737). The Directors consider the overall state of affairs to be satisfactory

For the charity alone, total income for the year amounted to £5,876,155 (2019: £1,856,043) including gift aid from the subsidiary companies of £5,594,802 (2019: £1,469,690). Grants totalling £1,333,402 (2019: £1,550,679) were made during the year, which is considerably in excess of income available for charitable application. These grants were therefore made by utilising expendable endowment funds. After charging the grants and crediting the gift aid payment and realised and unrealised investment gains the endowment fund increased by £4,193,484 to £18,053,750

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

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

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

**YEAR ENDED 31 DECEMBER 2020**

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**Reserves Policy**

The Trustees have established a policy for retaining reserves both in light of the risks the charitable group faces and the Trustees' strategic priorities for their grant making activities. In essence the principal purpose of the reserves are to provide a capital base from which income would be earned to finance the grant making activities. The Trustees' reserve policy is to maintain an expendable endowment at a level of no less than £5m and no greater than £14m, this is to ensure a prudent approach to the risks faced by the Charity and also to ensure the continued level of the Charity's grant-making. This approach has been put in place by the Trustees to avoid the situation where its annual grant-making is reduced or ceases, if the Charity fails to receive a Gift Aid donation from its Trading Subsidiary for a number of years. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances; however these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees. The Trustees are expecting a large gift aid donation from 2020 which is due to the exceptional circumstances that have resulted from the Covid-19 pandemic. However, given we are forecasting that the long lasting effect of the pandemic will likely result in quite low gift-aid donations over the next three years, the Trustees are not expecting a large increase in the grant making as a result of the 2020 gift aid. Therefore, this will be used to fund the next three years' grant making.

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

At the end of the year free reserves totalled £1,148,418. Although this is a small increase in the level compared with last year, the continued tough economic climate and its impact on the investment portfolio has meant that grant making activities were all financed from the endowment fund. The Trustees, having reviewed their strategy, are satisfied that the policy is appropriate and satisfied with the level of free reserves. Review had been carried out in 2019 by a CASS student, who found our current Reserves Policy is fit for purpose.

The trading subsidiary HSF health plan Ltd holds reserves of £24,130,194. The trading subsidiary requires reserves of this level to meet its Solvency II requirements as an insurance provider.

**Principal Risks and Risk Assessment**

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

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

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

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

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

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

**YEAR ENDED 31 DECEMBER 2020**

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

To assure the Trading & Charitable Company's compliance with the GDPR regulations an external assurance report from a third party was commissioned. This included a review of all the data protection related policies, privacy notices/statements, forms and guidance documents that had been issued. In addition, the report also included interviews with several members of the Senior Leadership Team. The overall conclusion reached was that the working practices and procedures for the company were satisfactory. The areas highlighted to support continuous improvement were covered in a report that was distributed to the Executive Directors, the Data Protection Officer, Compliance Manager and the ICT Manager for comment and action. It was also reviewed by the Company's Audit & Finance Committee.

The main activity of the Trading Company is operator of a medical cash plan and with this business activity, comes the need to take risk. We monitor the profitability of schemes and the claims data regularly, taking action when required and deemed necessary. The scheme premiums are rated on detailed analysis of historic claims data. Under the insurers regulatory regime, we also consider and diligently monitor a wide range of other risk including market, liquidity, interest rate, insurance, operational, concentration among others, this is done by regular consideration of the ORSA (Own Risk and Solvency Assessment), further information on some of these risks can be found in Note 18 and Note 19 of this document.

**Solvency II**

The Solvency II regime, which came into effect on 1 January 2016, has continued throughout 2020. The most significant requirement under Solvency II is the submission to the Prudential Regulatory Authority (PRA) on a regular basis (usually annually) of the Own Risks and Solvency Assessment (ORSA), following approval of the Board. The ORSA was approved at the Board meeting in September 2020 and was subsequently submitted to the PRA. The Board will continue to monitor this activity and ensure the company continues to satisfy their solvency requirements

**Investments & Investment Policy**

Under the Memorandum and Articles of Association, the Trustees of the Charitable Company have the power to make any investments which the Trustees see fit. In September 2007 the Board appointed UBS AG as Investment Managers.

The Trading Company's Investment Policy is linked to the Prudential Regulation Authority solvency requirements. Its Investment Policy reflects a low to medium risk profile, which is similar to that of the overall Charitable Group. The Charitable Company's portfolio produced a net loss of £9,783 on the investments held. Both the Trading Company's & Charitable Company's Investment Policies are reviewed annually by the Charitable Company's Investment Committee.

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

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

**Remuneration policy**

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

**FUTURE PLANS**

The Trustees hold a Reception each year in order to present grants in person to representatives of medical charities, hospices and hospitals. The Trustees had hoped to hold one such event at the University of Exeter 18 February 2021. Unfortunately, this event has been postponed until 27 October 2021 due to the current Covid 19 crisis.

In 2021, it is expected that grants awarded to medical charities, hospitals and hospices will be in the region of £2,000,000 and recipients are already receiving funds. This will be even more appreciated as charities experience a decline in funding, generally, during these difficult times.

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**(A Company Limited by Guarantee)**

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

**YEAR ENDED 31 DECEMBER 2020**

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**FUTURE PLANS (continued)**

The Charity relies on the success of its Trading Subsidiary, HSF health plan, not only to maintain but potentially to increase the size of its expendable endowment and therefore to increase the amount of charitable grants. The Trustees look forward to extending their grant making in the long term resulting in a greater contribution to the work of the medical charity sector.

The Trustees are looking to expand the trading activities and have approved the investment in an additional trading subsidiary based in Malta. This subsidiary will be marketing health cash plans in Malta and received its insurance licence from the Maltese Financial Services Authority in February 2021.

**Brexit**

As 56.6% of the overall premium income for the trading company was generated in Ireland in 2020 (2019: 56.5%), the trading company's Board of Directors and Senior Management Team, in consultation with their advisors, have conducted extensive research and contingency planning in advance of the UK's departure from the EU on 31<sup>st</sup> January 2020, and the end to passporting from the UK to Ireland following the cessation of the transitional period on 31<sup>st</sup> December 2020. The research and planning have been useful to facilitate the most beneficially compliant trading arrangements for the Trading Company, post Brexit. On 4<sup>th</sup> January 2021, the Central Bank of Ireland granted HSF health plan a license for a Third Country Branch which allows our Insurance Company to continue trading in Ireland, post Brexit.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**The Association**

The Association performs an important role in the overall governance of the Charitable Company and the governing document is Articles of Association dated 16<sup>th</sup> October 2019 and amended 7<sup>th</sup> November 2019. The Members of the Association are responsible for electing the Board and Honorary Officers of the Charitable Company.

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

**President** The Right Honourable The Lord Mayor of London

**Vice-Presidents** The Right Honourable The Earl of Meath  
The Right Honourable The Lord Mayor of Dublin  
The Right Honourable The Lord Provost of Glasgow  
The Right Honourable

The Lord Mayor of Belfast

Mr K R Bradley MCMI

**Life Members of the Association**

Mr. D C Barnes	Mrs. P E Lee
Mr. P Battams	Miss. I Racher
Mr. T A Botly	Mr. A M Rees LLB BA FCIPD
Mr. M J Boyle FCA	Mr. E W Smith
Miss. D O Denton JP	Mr. W N Smith
Mr. R Dool	Mr. D T Young
Mr. L I Fellman	Mr. P P Groat
Mr. K Lawrey JP LLB MA MSc (Econ) Barrister (Gray's Inn)	
Mrs. L M C Warner RGN SCM ONHC (deceased 11 Jan 2021)	

The Association held two General Meetings during the year, the first being the Annual General Meeting which was held on 14 May 2020 on zoom, due to Covid-19 restrictions. The President and Vice Presidents (listed above) were elected. Recognising that some civic offices change hands at times of the year not close to the Fund's AGM, authority was given to the Board to invite the successors of those elected to serve in the appropriate Honorary Officer capacity.

At an Extraordinary General Meeting held on 15 October 2020, Mr John Greenwood was re-elected as Chairman of the Association and Board, also at this meeting Mr Mark Davies and Mr David Thomas were elected for a three year term as Trustees.

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

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

**YEAR ENDED 31 DECEMBER 2020**

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**Board of Trustees (Continued)**

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

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

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

At each Board Meeting, Trustees receive reports from the Board of HSF Assist Limited.

Following the introduction of the Charity Governance Code in July 2017, The Charity has adopted this and applied its principles throughout its Governance structure. The Board of trustee regularly review the Charity Governance Code using the apply and explain method which means should an item be decided not applicable to the charity by its Trustees an explanation for this decision is documented. The charity is currently compliant with all areas of the Charity Governance Code.

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

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

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

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

**Grant Making Committee, Policies and Procedures**

The Committee usually meets every quarter and reports directly to the Board. In addition to the two Trustees elected as Chairman, Professor Paul Palmer and Vice Chairman, Mrs Margaret Rogers, the Committee includes appointed members Mrs Natalie Comber, Mr Paul Jackson, Mrs Pauline Jones, Mr Keith Lawrey, Mrs Carol Murphy, Mr Cathal Nolan, and Mr Glyn Tomlinson.

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

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

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

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

**YEAR ENDED 31 DECEMBER 2020**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Trustees have also applied the basis of preparation FRS102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and FRS103 Insurance Contracts. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

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

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

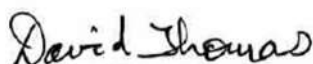
So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ON BEHALF OF THE BOARD ON 18 March 2021



JOHN GREENWOOD  
Chairman



DAVE THOMAS  
Vice-Chairman

## 1. Our Opinion

We have audited the financial statements of The Hospital Saturday Fund (the parent charitable company) and its subsidiaries (the group) for the year ended 31 December 2020.

The financial statements that we have audited comprise:

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

The financial reporting framework that has been applied in their preparation is applicable law, Financial Reporting Standard 102 - *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, Financial Reporting Standard 103 - *Insurance Contracts*, United Kingdom Generally Accepted Accounting Practice.

In our opinion:

- The financial statements give a true and fair view of the state of the group’s and of the parent charitable company’s affairs as at 31 December 2020 and incoming resources and application of resources, including its income and expenditure, for the year then ended;
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to public benefit entities and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Overview

<b>Materiality</b>	
Group	£611,000    2% Gross Revenues
<b>Key audit matters</b>	
Event driven	<ul style="list-style-type: none"> <li>• Impact of the UK exiting the European Union.</li> </ul>
Recurring Group	<ul style="list-style-type: none"> <li>• Completeness of insurance premium income</li> <li>• Reasonableness of estimates of provisions for outstanding claims liabilities</li> </ul>

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

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**2. Key audit matters**

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

<b>Impact of the UK exiting the European Union.</b>	
<b>The Risk</b>	<b>Our response</b>
As noted in the Trustees’ Report, the impact of the UK exiting the European Union will potentially have a significant impact on the operations of the group.	Our procedures included an assessment of the actions taken in response to Brexit taking place on 31 <sup>st</sup> December 2020 to ensure that it is able to operate in both jurisdictions.
<p><b>Result of our procedures</b> We have concluded that the uncertainties involved do not represent a going concern risk to the organisation as a whole and that sufficient disclosure has been made regarding this uncertainty in the Trustees’ Report.</p>	

<b>Completeness of insurance premium income</b>	
<b>The Risk</b>	<b>Our response</b>
As described in the accounting policy note 1b, premiums represent income earned from policyholders. There is a risk that premium income is not complete due to inaccurate recording of policyholders and the premiums associated with each policyholder.	Our procedures included assessing the design and implementation of key controls around the recording of premium income. This included key control testing on new joiners, ensuring that they are accurately and promptly entered into the policyholder system. In addition to the control testing, we performed substantive analytical review procedures reconciling expected premium income from the policyholder database, to that which had been recorded in the financial statements to ensure that income was complete.
<p><b>Result of our procedures</b> We concluded that premium income was complete and had been accurately recorded in the financial statements.</p>	



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

<b>Provision for outstanding claims</b>	
<b>The Risk</b>	<b>Our response</b>
As described in accounting policy 1p, provisions are made at the year-end for the estimated costs of claims incurred, but not settled, at the balance sheet date. As this assessment requires judgements, it is considered a key area of focus for the audit due to the material amount of the provision.	Our procedures included an assessment of the methodology used in order to calculate the claim provision at the year end. We then tested this methodology by substantive analytical review which included the review of historic provision against actual results, the expected provision based on historical patterns, and the reasonableness of the methodology in light of the Covid-19 pandemic and Brexit.
<b>Result of our procedures</b> We concluded that the provision for outstanding claims is within an acceptable level and has been recorded appropriately.	

### **3. Our application of materiality**

Our definition of materiality considers the value of error or omission on the financial statements that would change or influence the economic decision of a reasonably knowledgeable person. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the group and the parent charitable company was set at £611,000 which was determined on the basis of 2% of Gross Revenues.

### **4. An overview of the scope of our audit**

In addition to the parent charitable company, the group consists of 2 reporting components.

- HSF Health Plan Limited
- HSF Assist Limited

All of these entities were considered to be significant components of the group. All significant group components were subjected to full scope audits for the purposes of our audit report on the group financial statements.

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

### **5. Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- the consideration of inherent risks to the group and parent charitable company's operations and specifically its business model
- the evaluation of how those risks might impact on the group and parent charitable company's available financial resources.
- where additional resources may be required the reasonableness and practicality of the assumptions made by the Trustees when assessing the probability and likelihood of those resources becoming available.

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

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Our evaluation of the Trustees' assessment included:

- Liquidity considerations including examination of cash flow projections;
- Solvency considerations including examination of budgets and forecasts and their basis of preparation;
- Viability assessment including consideration of reserve levels and business plans.

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

We have nothing material to add or draw attention to in relation to the Trustees' statement within the Trustees' Report about whether the Trustees consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

It is our responsibility to obtain sufficient and appropriate evidence regarding and to conclude on:

- whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent Company's ability to continue as a going concern and
- the appropriateness of the trustees' use of the going concern basis of accounting in the preparation of the financial statements.

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

## **6. Other information**

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

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

## **7. Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees' report have been prepared in accordance with applicable legal requirements.

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

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustee' report.

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

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

**9. Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**10. Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the group operates in, focusing on those laws and regulations that had a direct effect on the financial statements. The key laws and regulations we considered in this context included UK Companies Act, Insurance Services Act 2015 and the Financial Services and Markets Act 2000 and applicable tax legislation. In addition, we considered compliance with the UK Bribery Act and employee legislation, as fundamental to the group's operations;
- Reviewing key correspondence with regulatory authorities such as the Financial Conduct Authority, Prudential Regulatory Authority, and Financial Reporting Council;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Enquiry of management around actual and potential litigation and claims;
- Enquiry of the audit and finance committee of the subsidiary concerning actual and potential litigation and claims;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;

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

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- Assessment of matters reported on the group's whistleblowing helpline and the results of management's investigation of such matters;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular with respect to provisions for claims incurred but not reported.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group's or the parent charitable company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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**11. Other requirements**

We were appointed by the Trustees on 29 November 2019. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 2 years.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the Trustees.

**12. Use of our report**

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



**Sudhir Singh FCA**  
(Senior Statutory Auditor)  
for and on behalf of MHA MacIntyre Hudson  
Chartered Accountants and Statutory Auditor  
6<sup>th</sup> Floor  
2 London Wall Place  
London  
EC2Y 5AU

Date: 1 April 2021

**THE HOSPITAL SATURDAY FUND**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020		2019	
		£	£	£	£
<b>TECHNICAL ACCOUNT GENERAL BUSINESS</b>					
Earned premiums					
Gross premiums written		31,177,756		31,117,259	
Change in the gross provision for unearned premiums		(169,737)		152,042	
Gross premiums earned			31,008,019		31,269,301
Less: reinsurance premiums			(1,184,652)		(1,141,276)
Net premiums earned			29,823,367		30,128,025
<b>Claims incurred</b>					
Gross claims paid		(18,220,179)		(21,417,069)	
Change in the gross provision for claims outstanding		(42,645)		(79,150)	
			(18,262,824)		(21,496,218)
<b>Net operating expenses</b>					
			(5,714,744)		(6,895,673)
<b>Balance on the technical account for general business</b>					
			5,845,799		1,736,134
<b>NON-TECHNICAL ACCOUNT</b>					
<b>Investment income</b>					
Income from other financial investments	2	611,399		741,766	
Interest receivable	2	44,201		66,402	
Realised gains - other financial investments	9	50,729		1,071,500	
Unrealised gains/(loss) - other financial investments	9	1,280,626		2,317,183	
Investment expenses and charges		(249,838)		(245,888)	
			1,737,117		3,950,963
<b>Other income</b>					
Coronavirus Job Retention Scheme grants	14	235,222		-	
			235,222		-
Donations and legacies received		1,598		13,108	
Net income from trading activities		18,693		9,760	
Other charges – charitable activities		(1,259,865)		(1,752,187)	
			(1,239,574)		(1,729,319)
<b>Profit on ordinary activities before tax</b>					
			6,578,564		3,957,778
<b>Taxation</b>					
	13		(375,970)		(373,094)
<b>Profit for the year after tax</b>					
			6,202,594		3,584,684

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

The notes on pages 24 to 40 form part of these financial statements.

**THE HOSPITAL SATURDAY FUND**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 Unrestricted Charity £	2020 Trading £	2020 Expendable Endowment £	2020 Total £	2019 Total £
<b>Income and endowments:</b>						
Donations and legacies		1,598	-	-	1,598	13,108
Trading activities	6	-	31,039,533	-	31,039,533	31,292,038
Investment income	2	258,715	396,885	-	655,600	808,168
Coronavirus Job Retention Scheme	14	-	235,222	-	235,222	-
Total incoming resources		260,313	31,671,640	-	31,931,953	32,113,314
<b>Expenditure on:</b>						
Raising funds – trading activities	4	(8,020)	(26,200,688)	(88,956)	(26,297,664)	(30,185,407)
<b>Amounts available for charitable application</b>		252,293	5,470,952	(88,956)	5,634,289	1,927,907
Charitable activities	4	(1,254,265)	-	-	(1,254,265)	(1,731,906)
<b>Net incoming resources before investment gains and losses</b>		(1,001,972)	5,470,952	(88,956)	4,380,024	196,001
Gift aid donation		-	(5,594,802)	5,594,802	-	-
Gain on revaluation of tangible assets		-	2,645,000	-	2,645,000	-
Realised investment gain	9	-	908	49,821	50,729	1,071,500
Unrealised investment (loss)/gain	9	-	1,309,408	(28,781)	1,280,627	2,317,183
Transfer between funds		1,333,402	-	(1,333,402)	-	-
<b>Net movement in funds for the year</b>		331,430	3,831,466	4,193,484	8,356,380	3,584,684
<b>Funds brought forward</b>		816,988	20,319,669	13,860,266	34,996,923	31,412,239
<b>Funds carried forward at 31 December 2020</b>		1,148,418	24,151,135	18,053,750	43,353,303	34,996,923

The notes on pages 24 to 40 form part of these financial statements

All transactions are derived from continuing activities.

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

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

## GROUP AND CHARITY BALANCE SHEETS

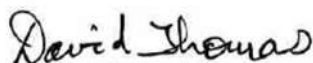
AT 31 DECEMBER 2020

	Notes	2020		2019	
		Group £	Charity £	Group £	Charity £
<b>FIXED ASSETS</b>					
Tangible assets	8	5,216,738	-	2,762,607	-
Investments	9	30,557,478	27,164,030	28,452,991	27,173,813
		<u>35,774,216</u>	<u>27,164,030</u>	<u>31,215,598</u>	<u>27,173,813</u>
<b>CURRENT ASSETS</b>					
Debtors	10	2,410,905	1,407	2,654,152	7,632
Bank balances and cash		11,022,798	7,924,279	5,952,851	3,459,706
		<u>13,433,703</u>	<u>7,925,686</u>	<u>8,607,003</u>	<u>3,467,338</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(4,487,062)</u>	<u>(19,724)</u>	<u>(4,325,309)</u>	<u>(96,222)</u>
<b>NET CURRENT ASSETS</b>		<u>8,946,641</u>	<u>7,905,962</u>	<u>4,281,694</u>	<u>3,371,116</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>44,720,857</u>	<u>35,069,992</u>	<u>35,497,292</u>	<u>30,544,929</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	13	<u>(1,367,554)</u>	<u>-</u>	<u>(500,369)</u>	<u>-</u>
<b>NET ASSETS</b>		<u><u>43,353,303</u></u>	<u><u>35,069,992</u></u>	<u><u>34,996,923</u></u>	<u><u>30,544,929</u></u>
Representing:					
<b>FUNDS</b>					
Unrestricted funds					
- General funds	15	1,148,418	15,749,403	816,988	15,418,194
- Trading funds	15	24,151,135	-	20,319,669	-
Expendable endowment fund	15	18,053,750	19,320,589	13,860,266	15,126,735
		<u>43,353,303</u>	<u>35,069,992</u>	<u>34,996,923</u>	<u>30,544,929</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 18 March 2021 and were signed below on its behalf by:



JOHN GREENWOOD  
Chairman



DAVE THOMAS  
Vice Chairman

The notes on pages 24 to 40 form part of these financial statements.



THE HOSPITAL SATURDAY FUND

CONSOLIDATED STATEMENT OF CASH FLOWS & ANALYSIS OF CHANGES IN NET DEBT

FOR THE YEAR ENDED 31 DECEMBER 2020

CONSOLIDATED STATEMENT OF CASH FLOWA

	2020 £	2019 £
<b>Reconciliation of net movement in funds for the year to net operating cash flows</b>		
Net movement in funds for the year	6,202,594	3,584,684
Taxation	375,970	373,094
Exchange (gains) / losses	(518,861)	556,869
Gain on revaluation of tangible assets	-	-
Unrealised (gains) on other financial investments	(1,280,626)	(2,317,183)
Realised (gains) on other financial investments	(50,729)	(1,071,500)
Income from other financial investments and cash	(655,600)	(808,168)
Depreciation and amortisation	265,830	337,253
Decrease/(Increase) in debtors	243,247	(139,560)
Increase in creditors	161,753	77,233
<b>Net cashflow from operating activities</b>	<u>4,743,578</u>	<u>592,722</u>
<b>Cash flows from investment activities</b>		
Income received from other financial investments	611,399	741,766
Interest received	44,201	66,402
Exchange gains / (losses)	518,861	(556,869)
Purchases of tangible fixed assets	(74,511)	(252,860)
Purchases of other financial investments	(8,349,813)	(24,858,663)
Sales of other financial investments	7,576,232	24,663,314
<b>Net cashflow from investing activities</b>	<u>326,369</u>	<u>(196,910)</u>
Increase/(decrease) in cash holdings	5,069,947	395,812
Cash and cash equivalents at 1 January 2020	5,952,851	5,557,039
Cash and cash equivalents at 31 December 2020	<u>11,022,798</u>	<u>5,952,851</u>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	11,022,798	5,952,851
<b>Total cash and cash equivalents</b>	<u>11,022,798</u>	<u>5,952,851</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2020 £	Cashflows £	New finance leases £	At 31 December 2020 £
Cash	5,952,851	5,069,947	-	11,022,798
Finance lease obligations	(186,113)	130,455	(91,102)	(146,760)
<b>Total</b>	<u>5,766,738</u>	<u>5,200,402</u>	<u>(91,102)</u>	<u>10,876,038</u>

# THE HOSPITAL SATURDAY FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. ACCOUNTING POLICIES

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

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102 & FRS103), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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

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

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

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

The investment is carried at the Trustees' estimate of valuation of the company at 1 April 2007, the date of gift from the company, less any provision for permanent diminution in value.

**b) Incoming resources**

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

Incoming resources represents donations, income of the trading subsidiaries, investment income and Government grants in the form of the Coronavirus Job Retention Scheme grants received. All income is accounted for on a receivable basis.

**Premiums**

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

Re-Insurance premiums are deducted from gross premiums earned for the Personal Accident as this is underwritten by a third party.

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

All premiums arise in the United Kingdom and Ireland.

**c) Tangible Fixed Assets**

The group has adopted the revaluation method in relation to its freehold property. Land and buildings occupied by the Company for its own purposes are stated at valuation less depreciation. Depreciation in excess of historical costs is charged to the revaluation reserve.

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

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

Freehold property	2%
Furniture and equipment	20%
Computer equipment	25%

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. ACCOUNTING POLICIES (continued)

**d) Investments**

Investments are recognised initially at fair value which is normally the transactional price, in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' subsequently they are reserved at fair value with unrealised gains and losses on the revaluation of listed investments are taken to the Statement of Financial Activities.

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

**e) Interest Receivable**

Interest receivable is credited to the Statement of Financial Activities in the year in which it is receivable.

**f) Pension Costs**

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

**g) Redundancy**

Redundancy costs arising from periodic reviews of staff levels are charged against profit in the year in which employees leave the group.

**h) Expenditure**

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

**i) Claims Incurred**

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

**j) Fund accounting**

Unrestricted funds comprise accumulated surpluses on general and trading funds.

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

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

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

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

**k) Deferred Taxation**

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

**l) Operating Leases**

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

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. ACCOUNTING POLICIES (continued)

**m) Translation of Foreign Currency**

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

**n) Grants**

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

**o) Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like debtors arising out of direct insurance operations, trade payables, loans to related parties and investments in non-puttable ordinary shares. The financial assets and financial liabilities of the Company are as follows:

- Debtors – trade and other debtors are financial instruments and are debt instruments measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received as detailed in note 10. Prepayments amounting to £227,147 (2019: £279,758) for the Company are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in note 11. Amounts due to taxation and social security are not included in the financial instrument disclosure.

**p) Provisions**

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

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

**q) Significant judgments and estimates**

The group requires management to make significant judgements and estimates in the preparation of the financial statements. The items in the financial statements where these judgements and estimates have been made include the translation of foreign currency into the reporting currency and the technical provisions. The most significant judgement and estimate in the accounts is the technical provisions, as it can take up to six months after the year end before establishing the ultimate cost of claims incurred and premiums paid but not yet reported to the Company and the final outcome could be better or worse than the provisions. We use a calculation based on claims and premium trends from the previous two years to estimate the provisions required at the year end. The fair value of the freehold property has been based on the value provided by an independent chartered surveyor.

**THE HOSPITAL SATURDAY FUND**

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

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES (continued)**

**r) Employee Benefits**

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

**s) Tax**

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

**t) Going Concern**

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern including the impact of COVID-19. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charities ability to continue as a going concern. The charity therefore continues to adopt the going concern basis in preparing these financial statements.

**2. INVESTMENT INCOME**

	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>Charity</b>	<b>Group</b>	<b>Group</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Income from other financial investments	254,913	611,399	741,766
Interest receivable	3,802	44,201	66,402
	<u>258,715</u>	<u>655,600</u>	<u>808,168</u>

**3. NET INCOME FOR THE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
The net income for the year is stated after charging:		
Depreciation	265,380	337,253
Auditors' remuneration:		
Audit of the charity	6,840	6,600
Audit of the subsidiaries	32,220	31,200
Operating leases	130,455	137,045
	<u>434,895</u>	<u>542,300</u>

**4. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	<b>Direct costs</b>	<b>Grant funding</b>	<b>Support costs</b>	<b>2020 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Raising funds</b>				
Charity	96,976	-	-	96,976
Subsidiaries	18,262,824	-	7,937,864	26,200,688
<b>Charitable activities</b>	-	1,333,402	(79,137)	1,254,265
<b>Group Total</b>	<u>18,359,800</u>	<u>1,333,402</u>	<u>7,858,727</u>	<u>27,551,929</u>

All grants in the year were funded from the expendable endowment. The charitable activities support costs for 2020 is a negative balance due to the effect of exchange variance gains made in the year which forms part of this.

**THE HOSPITAL SATURDAY FUND**

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

**FOR THE YEAR ENDED 31 DECEMBER 2020**

4. ANALYSIS OF TOTAL RESOURCES EXPENDED (continued)	Direct costs £	Grant funding £	Support costs £	2019 Total £
<b>Raising funds</b>				
Charity	106,193	-	-	106,193
Subsidiaries	21,496,218	400	8,582,596	30,079,214
<b>Charitable activities</b>	-	1,550,679	180,827	1,731,506
<b>Group Total</b>	<u>21,602,411</u>	<u>1,551,079</u>	<u>8,763,423</u>	<u>31,916,913</u>

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

**ANALYSIS OF SUPPORT COSTS**

	2020 Total £	2019 Total £
Policy Services	1,481,779	1,427,033
Staff Costs	3,984,428	3,952,109
Property Costs	163,878	232,410
Sales & Marketing Costs	219,771	386,714
Administration Costs	2,333,198	1,983,742
Governance Costs	194,534	224,546
Exchange Variance	(518,861)	556,869
<b>Total</b>	<u>7,858,727</u>	<u>8,763,423</u>

**ANALYSIS OF GOVERNANCE COSTS**

	2020 Total £	2019 Total £
Internal Audit	-	2,040
External auditors' remuneration		
- Audit services	39,060	37,800
Governance and professional support	153,669	184,706
<b>Total</b>	<u>192,729</u>	<u>224,546</u>

**5. STAFF COSTS**

**Charity**

The charity employs no staff, all staff are employed by the trading subsidiary – HSF health plan Limited.

**Trading subsidiary – HSF health plan Limited**

	2020 £	2019 £
Wages and salaries	3,163,829	3,184,320
Social security costs	337,329	353,732
Pension costs	483,270	414,057
	<u>3,984,428</u>	<u>3,952,109</u>

The average number of persons employed during the year was:

Sales	22	20
Administration	52	54
	<u>74</u>	<u>74</u>

**THE HOSPITAL SATURDAY FUND**

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

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**5. STAFF COSTS (continued)**

The number of employees whose annual emoluments exceeded £60,000 were:-

£60,001 - £70,000	7	5
£70,001 - £80,000	4	5
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£110,001 - £120,000	1	1
£160,001 - £170,000	1	-
£170,001 - £180,000	-	1
£240,001 - £250,000	1	-
£250,001 - £260,000	-	1

Contributions totalling £262,581 (2019: £169,541) were made to group personal pension plans in respect of the 16 (2019: 15) employees above.

None of the trustees were remunerated during the year for their services as trustees of the parent Charitable Company. Expenses totalling £5,295 (2019: £10,024) were reimbursed to five trustees (2019: five) of the parent Charitable Company.

As the charity does not employ any staff it has no direct key management personnel costs. Key management personnel within its trading subsidiary HSF health plan Limited are the Non-Executive Directors, Executive Directors and Head of Departments and total salary and benefits provided total £1,049,898 (2019: £1,027,258).

There were redundancy payments in the year totalling £122,337 (2019: £52,087). This includes statutory redundancy payments, payments in lieu of notice and non-contractual payments of £25,778 made to 5 members of staff (2019: £25,940 made to 4 members of staff). The non-contractual payments were made under the authority of the Directors when considered to be in HSF health plan Ltd best interest to avoid potential significant HR/legal costs.

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Mrs J L Dalton	7,256	6,381
Mr M Davies	10,878	9,921
Mr J Greenwood	8,300	6,369
Mr J Randel	15,934	14,863
Mr D Thomas	8,600	7,980
Total remuneration	<u>50,968</u>	<u>45,514</u>

Contributions totalling £1,366 (2019: £1,367) were made to personal pension plan in respect of the 1 (2019: 1) Director above.

# THE HOSPITAL SATURDAY FUND

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 6. RESULTS OF SUBSIDIARIES

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

	2020	2019
	£	£
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	31,008,019	31,269,301
Claims paid and reinsurance	(19,447,476)	(22,637,494)
Net operating expenses	(5,714,744)	(6,895,673)
	<u>5,845,799</u>	<u>1,736,134</u>
Balance on the technical account for general business		
Investment income	1,547,577	2,222,302
Other income	235,222	-
	<u>7,628,598</u>	<u>3,958,436</u>
Profit before taxation		
Profit for the year after taxation	<u><u>7,252,628</u></u>	<u><u>3,584,942</u></u>
<b>BALANCE SHEET</b>		
Fixed assets	24,475,762	19,907,361
Net current assets	1,021,985	901,830
Deferred taxation	(1,367,554)	(500,369)
	<u>24,130,193</u>	<u>20,308,822</u>
<b>NET ASSETS</b>		
	<u><u>24,130,193</u></u>	<u><u>20,308,822</u></u>
<b>FUNDS</b>		
General reserve	24,130,193	20,308,822
	<u>24,130,193</u>	<u>20,308,822</u>

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

	2020	2019
	£	£
<b>PROFIT AND LOSS ACCOUNT</b>		
Premium income	31,515	22,737
Helplines and counselling	(9,405)	(8,761)
Other admin costs inc gift aid donation	(3,416)	(4,216)
	<u>18,694</u>	<u>9,760</u>
Profit for the year after taxation		
	<u><u>18,694</u></u>	<u><u>9,760</u></u>
<b>BALANCE SHEET</b>		
Net current assets	18,694	9,760
	<u>18,694</u>	<u>9,760</u>
<b>NET ASSETS</b>		
	<u><u>18,694</u></u>	<u><u>9,760</u></u>
<b>CAPITAL AND RESERVES</b>		
Share capital	1	1
Profit and loss account	18,694	9,760
	<u>18,695</u>	<u>9,761</u>



**THE HOSPITAL SATURDAY FUND**

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

**FOR THE YEAR ENDED 31 DECEMBER 2020**

<b>7. GRANTS</b>	<b>Grants to Institutions</b>	<b>Grants to Individuals</b>	<b>Support Costs</b>	<b>2020 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
During the year the following grants were made:				
Medical charities	847,830	-	(50,318)	797,512
Hospitals and hospices	112,678	-	(6,687)	105,991
Welfare grants to individuals	-	90,780	(5,388)	85,392
Covid-19 fund grants	207,696	-	(12,326)	195,370
Other medical/welfare related organisations	74,418	-	(4,418)	70,000
	<u>1,242,622</u>	<u>90,780</u>	<u>(79,137)</u>	<u>1,254,265</u>
	<u><u>1,242,622</u></u>	<u><u>90,780</u></u>	<u><u>(79,137)</u></u>	<u><u>1,254,265</u></u>
	<b>Grants to Institutions</b>	<b>Grants to Individuals</b>	<b>Support Costs</b>	<b>2019 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
During 2019 the following grants were made:				
Medical charities	1,065,862	-	124,292	1,190,154
Hospitals and hospices	162,237	-	18,919	181,156
Welfare grants to individuals	-	105,752	12,332	118,084
Other medical/welfare related organisations	216,828	-	25,284	242,112
	<u>1,444,927</u>	<u>105,752</u>	<u>180,827</u>	<u>1,731,506</u>
	<u><u>1,444,927</u></u>	<u><u>105,752</u></u>	<u><u>180,827</u></u>	<u><u>1,731,506</u></u>

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

<b>8. TANGIBLE FIXED ASSETS</b>	<b>Charity</b>		<b>Group</b>		
	<b>Computer Equipment</b>	<b>Total</b>	<b>Freehold property</b>	<b>Furniture Fixtures and Fittings</b>	<b>Total</b>
<b>COST OR VALUATION</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2020	12,000	12,000	2,500,000	1,779,774	4,291,774
Additions in year	-	-	-	74,511	74,511
Disposals in the year	-	-	-	-	-
Revaluation	-	-	2,495,000	-	2,495,000
	<u>12,000</u>	<u>12,000</u>	<u>4,995,000</u>	<u>1,854,285</u>	<u>6,861,285</u>
At 31 December 2020	12,000	12,000	4,995,000	1,854,285	6,861,285
	<u>12,000</u>	<u>12,000</u>	<u>4,995,000</u>	<u>1,854,285</u>	<u>6,861,285</u>
<b>DEPRECIATION</b>					
At 1 January 2020	12,000	12,000	100,000	1,417,167	1,529,167
Charge for year	-	-	50,000	215,380	265,380
Disposals in the year	-	-	-	-	-
Revaluation	-	-	(150,000)	-	(150,000)
	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>1,632,547</u>	<u>1,644,547</u>
At 31 December 2019	12,000	12,000	-	1,632,547	1,644,547
	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>1,632,547</u>	<u>1,644,547</u>
<b>NET BOOK VALUE</b>					
At 31 December 2020	-	-	4,995,000	221,738	5,216,738
	<u>-</u>	<u>-</u>	<u>4,995,000</u>	<u>221,738</u>	<u>5,216,738</u>
At 31 December 2019	-	-	2,400,000	362,607	2,762,607
	<u>-</u>	<u>-</u>	<u>2,400,000</u>	<u>362,607</u>	<u>2,762,607</u>

The Company owns a freehold property at 24 Upper Ground, London SE1 9PD which is used for the Company's own activities. The property was valued on 18 February 2021, the fair value of the property was £4,995,000 on an open market basis by an independent valuer, Egerton chartered surveyors. At the date of the revaluation the directors believed the property had a useful economic life of at least 50 years.

**THE HOSPITAL SATURDAY FUND**

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

**FOR THE YEAR ENDED 31 DECEMBER 2020**

9. INVESTMENTS	2020		2019	
	Group £	Charity £	Group £	Charity £
Market value at 1 January 2020	28,452,991	27,173,813	24,868,959	25,761,226
Additions	8,349,813	4,728,737	24,858,663	5,171,126
Disposals	(7,525,952)	(4,709,739)	(23,591,814)	(4,891,547)
Unrealised gains	1,280,626	(28,781)	2,317,183	1,133,008
	<u>30,557,478</u>	<u>27,164,030</u>	<u>28,452,991</u>	<u>27,173,813</u>
Market value at 31 December 2020	30,557,478	27,164,030	28,452,991	27,173,813
Historical cost at 31 December 2020	<u>27,947,778</u>	<u>26,653,156</u>	<u>27,069,715</u>	<u>26,532,615</u>
<b>At market value</b>				
United Kingdom investments (listed)	7,390,199	5,109,112	7,528,400	5,215,208
Overseas investments (listed)	14,998,957	4,082,520	13,894,302	4,029,856
Bonds (listed)	5,160,518	1,401,350	5,104,667	1,355,562
Other (listed)	3,007,804	705,472	1,925,622	707,611
Investment in HSF health plan Limited (unlisted)	-	15,865,576	-	15,865,576
	<u>30,557,478</u>	<u>27,164,030</u>	<u>28,452,991</u>	<u>27,173,813</u>

The investment in HSF health plan Limited represents the reserves of HSF health plan Limited at the point at which the ownership was donated to The Hospital Saturday Fund. The consolidated statement of financial activities includes unrealised gains of £1,280,626 and realised gains of £50,729

10. DEBTORS	2020		2019	
	Group £	Charity £	Group £	Charity £
Insurance operation debtors	1,574,595	-	1,769,970	-
Other debtors	609,164	1,407	604,424	2,354
Prepayments and accrued income	227,147	-	279,758	5,278
	<u>2,410,906</u>	<u>1,407</u>	<u>2,654,152</u>	<u>7,632</u>

11. CREDITORS: amounts falling due within one year	2020		2019	
	Group £	Charity £	Group £	Charity £
Insurance operations creditors	3,564,733	-	3,352,351	-
Other creditors and accruals	839,443	19,724	1,036,538	96,222
Taxes and social security	82,886	-	(63,580)	-
	<u>4,487,062</u>	<u>19,724</u>	<u>4,325,309</u>	<u>96,222</u>

12. MOVEMENTS IN PRIOR YEAR'S PROVISIONS	2020	2019
	£	£
Claims Provision		
Net claims provision brought forward (including IBNR)	2,505,701	2,426,551
Net payments during the year in respect of those provisions	(2,578,508)	(2,700,694)
Adjustment to prior year's provision	72,807	274,143
Movement in provision during the year	2,548,346	2,505,701
	<u>2,548,346</u>	<u>2,505,701</u>
Net loss provision carried forward in respect of outstanding claims	2,548,346	2,505,701

**THE HOSPITAL SATURDAY FUND**

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

**FOR THE YEAR ENDED 31 DECEMBER 2020**

12. MOVEMENTS IN PRIOR YEAR'S PROVISIONS (continued)	2020	2019
Unearned Premium Provision	£	£
Net claims provision brought forward	846,650	998,692
Net premiums during the year in respect of those provisions	(846,650)	(998,692)
Adjustment to prior year's provision	-	-
Movement in provision during the year	1,016,387	846,650
Net loss provision carried forward in respect of unearned premiums	<u>1,016,387</u>	<u>846,650</u>

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

13. PROVISION FOR DEFERRED TAXATION	Liability on Property revaluation	Short term Timing difference	Fixed asset - timing differences	Total
	£	£	£	£
At 1 January 2020	(145,910)	(361,990)	7,531	(500,369)
Profit and loss account	-	(389,832)	13,862	(375,970)
Other comprehensive income	(491,215)	-	-	(491,215)
At 31 December 2020	<u>(637,125)</u>	<u>(751,822)</u>	<u>21,393</u>	<u>(1,367,554)</u>
	£	£	£	£
At 1 January 2019	(145,910)	5,138	13,496	(127,276)
Profit and loss account	-	(367,128)	(5,965)	(373,093)
At 31 December 2019	<u>(145,910)</u>	<u>(361,990)</u>	<u>7,531</u>	<u>(500,369)</u>

Over the next 12 months it is expected that £751,822 of deferred tax liabilities in respect of short-term timing difference will reverse when the relevant gift aid donations are made to the parent charity. Reversal of deferred tax liabilities in respect of property revaluation is uncertain due to its dependency on prevailing market conditions.

**14. GOVERNMENT GRANTS**

	2020	2019
	£	£
Coronavirus Job Retention Scheme	235,222	-
	<u>235,222</u>	<u>-</u>

There are no unfulfilled conditions or other contingencies attaching to the grants received from government sources.

**15. MOVEMENT ON FUNDS**

	At 1 January 2020	Movement in funds		Gains on Investments/ Property	Transfers	Balance at 31 December 2020
	£	Incoming resources	Resources expended	£	£	£
<b>Unrestricted funds</b>						
General funds	816,988	260,313	(1,262,285)	-	1,333,402	1,148,418
Trading funds	20,319,669	31,671,640	(26,200,688)	3,955,316	(5,594,802)	24,151,135
	<u>21,136,657</u>	<u>31,931,953</u>	<u>(27,462,973)</u>	<u>3,955,316</u>	<u>(4,261,400)</u>	<u>25,299,553</u>
<b>Expendable Endowment</b>	13,860,266	-	(88,956)	21,040	4,261,400	18,053,750
<b>Total funds</b>	<u>34,996,923</u>	<u>31,931,953</u>	<u>(27,551,929)</u>	<u>3,976,356</u>	<u>-</u>	<u>43,353,303</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

15. MOVEMENT OF FUNDS (continued)

Unrestricted funds	At 1	Movement in funds		Gains on	Transfers	Balance at
	January 2019	Incoming resources	Resources expended	Investments/Property		31 December 2019
	£	£	£	£	£	£
General funds	631,743	386,353	(1,751,787)	-	1,550,679	816,988
Trading funds	18,194,657	31,726,961	(30,079,614)	1,947,355	(1,469,690)	20,319,669
	<u>18,826,400</u>	<u>32,113,314</u>	<u>(31,831,401)</u>	<u>1,947,355</u>	<u>80,989</u>	<u>21,136,657</u>
<b>Expendable Endowment</b>	<u>12,585,839</u>	<u>-</u>	<u>(85,912)</u>	<u>1,441,328</u>	<u>(80,989)</u>	<u>13,860,266</u>
<b>Total funds</b>	<u>31,412,239</u>	<u>32,113,314</u>	<u>(31,917,313)</u>	<u>3,388,683</u>	<u>-</u>	<u>34,996,923</u>

**Expendable endowment fund**

The principal purpose of the expendable endowment fund is to provide a capital base from which income is earned to finance the grant making activities. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances however these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees. Transfer of funds represents the gift aid donation from HSF health plan Limited to The Hospital Saturday Fund and the drawdown of expendable endowment to fund grants awarded in the year. The Reserves Policy is to maintain the Expendable Endowment at a level no less than £5m and no greater than £14m. The Trustees are expecting a large gift aid donation from 2020 which is due to the exceptional circumstances that have resulted from the Covid-19 pandemic. However, given we are forecasting that the long lasting effect of the pandemic will likely result in quite low gift-aid donations over the next three years, the Trustees are not expecting a large increase in the grant making as a result of the 2020 gift aid. Therefore, this will be used to fund the next three years' grant making.

**Trading fund**

The principal purpose of the trading fund is to generate and provide income to the charity through its trading subsidiaries activities. The fund represents the current balance sheet value of HSF health plan Limited and The Hospital Saturday Fund.

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2020 are represented by	Total Funds	Unrestricted funds		
		General Fund	Trading Fund	Expendable Endowment
	£	£	£	£
Tangible fixed assets	5,216,738	-	5,216,738	-
Investments	30,557,478	-	19,259,024	11,298,454
Cash at bank and in hand	11,022,798	1,166,735	3,100,767	6,755,296
Net assets	(2,076,157)	(18,317)	(2,057,840)	-
Deferred tax	(1,367,554)	-	(1,367,554)	-
<b>Total Net Assets</b>	<u>43,353,303</u>	<u>1,148,418</u>	<u>24,151,135</u>	<u>18,053,750</u>
Fund balances at 31 December 2019 are represented by	Total Funds	Unrestricted funds		
		General Fund	Trading Fund	Expendable Endowment
	£	£	£	£
Tangible fixed assets	2,762,607	-	2,762,607	-
Investments	28,452,991	-	17,144,754	11,308,237
Cash at bank and in hand	5,952,851	907,677	2,493,145	2,552,029
Net assets	(1,671,156)	(90,689)	(1,580,467)	-
Deferred tax	(500,369)	-	(500,369)	-
<b>Total Net Assets</b>	<u>34,996,924</u>	<u>816,988</u>	<u>20,319,670</u>	<u>13,860,266</u>

The Trading and Total Funds includes non-distributable reserves of £4,020,027 (2019: £2,172,990) due to inclusion of the revaluation reserve inclusion.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17. PENSION COSTS

The trading subsidiary, as the employer in the group, makes contributions to group personal pension plans. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable for the year by the trading subsidiary to the personal pension plans and amounted to £483,270 (2019: £414,057).

At the balance sheet date, there were outstanding contributions of £63,069 (2019: £24,030)

#### 18. OPERATING LEASE COMMITMENTS

At 31 December 2020, the Group had annual commitments under operating leases which expire as follows:

	2020		2019	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	4,141	81,206	24,097	93,661
In the second to fifth years inclusive	-	61,413	4,016	64,339
	<u>4,141</u>	<u>142,619</u>	<u>28,113</u>	<u>158,000</u>

#### 19. CONTINGENT LIABILITIES

No provision has been made for any levy which the trading subsidiary may be called upon to pay under the provisions of the Policyholders Protection Act 1975. The maximum amount of any such levy in respect of the current financial year would be £311,778 (2019: £311,173).

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

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

##### Market Risk

##### Key Risks

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

##### Controls

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

##### Risk Appetite

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

##### Underwriting Risk

##### Key Risks

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

##### Controls

The short-tailed nature of its liabilities offer a predictable and stable book of reserves which render a risk profile commensurate with its risk appetite. The main driver of HSF health plan's Underwriting risk is the exposure to catastrophe risk. HSF health plan has robust underwriting controls to mitigate its exposure under catastrophe risk and align it to its risk appetite and strategic business plan. Re-Insurance is used to remove all risks associated with the personal accident as a third party underwrites these risks.

## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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

##### Risk Appetite

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

##### Counterparty Default Risk

##### Risk Capital

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

##### Key Risks

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

##### Controls

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

##### Risk Appetite

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

##### Operational Risk

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

##### Sensitivity

##### Assumptions and sensitivities

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

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

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

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

	Profit/Loss before tax		Accumulated Fund	
	2020	2019	2020	2019
	£	£	£	£
Before sensitivities	7,628,598	3,958,036	24,130,193	20,308,822
Reduction in business volumes by 15%	2,951,935	(709,553)	19,453,530	15,641,233
Reduction in investment market values by 25%	1,565,092	(928,153)	18,066,688	15,422,633

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

**THE HOSPITAL SATURDAY FUND**

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

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**Insurance Risk**

HSF's policy is to offer no insurance policy or renewal options beyond a month or two, and to manage the benefit/contributions levels to achieve over the long term a small surplus of contributions over claims and business costs. The Company has a risk associated with the claims technical provision which is calculated based on the requirement for claims to be submitted within 6 months of the date of treatment, by using two previous year's figures analysis to produce a trend and utilise this trend to calculate the current year's provisions.

**Concentration**

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

	<b>Gross claims</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Direct Insurance</b>	18,220,179	21,417,068
	18,220,179	21,417,068

**21. FINANCIAL RISK MANAGEMENT**

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

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

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

	<b>Less than 1 month 2020</b>	<b>1-3 months 2020</b>	<b>3 months to 1 year 2020</b>	<b>1-5 years 2020</b>	<b>5+ years 2020</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other liabilities	-	-	880,475	-	-	880,475
Outstanding claims	1,318,552	883,510	346,284	-	-	2,548,346
	<u>1,318,552</u>	<u>883,510</u>	<u>1,226,759</u>	<u>-</u>	<u>-</u>	<u>3,428,821</u>
	<u><u>1,318,552</u></u>	<u><u>883,510</u></u>	<u><u>1,226,759</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,428,821</u></u>
	<b>Less than 1 month 2019</b>	<b>1-3 months 2019</b>	<b>3 months to 1 year 2019</b>	<b>1-5 years 2019</b>	<b>5+ years 2019</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other liabilities	-	-	856,920	-	-	856,920
Outstanding claims	1,668,368	627,218	210,115	-	-	2,505,701
	<u>1,668,368</u>	<u>627,218</u>	<u>1,067,035</u>	<u>-</u>	<u>-</u>	<u>3,362,621</u>
	<u><u>1,668,368</u></u>	<u><u>627,218</u></u>	<u><u>1,067,035</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,362,621</u></u>

**THE HOSPITAL SATURDAY FUND**

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

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

The objective of the Company is managing its credit risk exposure is to ensure risk is managed in line with the Company's risk appetite. The Company has established policies and procedures in order to manage credit risk and methods to measure it. The Company's maximum exposure to credit risk for insurance receivables would be 15% of net premiums earned, £4,417,423 (2019: £4,519,203).

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

<b>Credit Risk as at 31 December 2020</b>	<b>Neither past due nor impaired</b>	<b>Past due less than 30 Days</b>	<b>Past due 31 to 60 days</b>	<b>Past due 61 to 90 days</b>	<b>Past due more than 90 days</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Insurance receivables	-	1,310,418	264,177	-	-
	-	1,310,418	264,177	-	-
<b>Credit Risk as at 31 December 2019</b>	<b>Neither past due nor impaired</b>	<b>Past due less than 30 Days</b>	<b>Past due 31 to 60 days</b>	<b>Past due 61 to 90 days</b>	<b>Past due more than 90 days</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Insurance receivables	-	1,586,920	181,611	1,439	-
	-	1,586,920	181,611	1,439	-

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

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

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
0.5% increase		
Movement in bonds	18,796	18,746
Movement in equities	65,988	60,888
0.5% decrease		
Movement in bonds	(18,796)	(18,746)
Movement in equities	(65,988)	(60,888)

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



## THE HOSPITAL SATURDAY FUND

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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

##### Fair Value

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

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

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

	Level 1 £	Level 2 £	Level 3 £	The Company Total £
Available-for-sale equity securities	30,557,478	-	-	30,557,478

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

#### 22. CAPITAL MANAGEMENT

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

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

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

	2020 £	2019 £
Statutory minimum capital requirement	2,626,250	2,652,000
Total available capital resources	24,130,193	20,308,822
Solvency Cover %	919%	766%

#### 23. RELATED PARTY TRANSACTIONS

No trustee or other person related to the charity had any personal interest in any contract or transaction entered by the charity during the year (2019: £Nil).

The charity received Gift Aid donations during the year from its trading subsidiaries totalling £5,594,802 (2019: £1,469,690).

**THE HOSPITAL SATURDAY FUND**

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

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**24. GOVERNMENT GRANTS**

The company received government grants totalling £235,222 in the year (2019: Nil) from the Coronavirus Job Retention Scheme. There are no unfulfilled conditions or other contingencies attaching to the grants received from government sources.

**25. POST BALANCE SHEET EVENTS**

In January 2021 the charity completed the setup of a Maltese subsidiary, HSF health plan (Malta) Ltd. The subsidiary has been established to expand the marketing of health cash plans in Malta and in February 2021 the new company received its insurance licence from the Maltese Financial Services Authority.