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**THE NHS CONFEDERATION GROUP
COMPANY LIMITED**
(Limited by guarantee)
Report and Financial Statements

Year Ended

31 January 2006



BDO
BDO Stoy Hayward
Chartered Accountants

THE NHS CONFEDERATION GROUP COMPANY LIMITED

Annual report and financial statements for the year ended 31 January 2006

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Directors

Nigel Edwards	
Alastair Henderson	
Steve Barnett	
Helen Bradburn	Appointed 14 th June 2005
Alan Gilbert	Appointed 25 th April 2005
Janice Miles	Appointed 25 th April 2005
Michael Ponton	Appointed 25 th April 2005
Susan Slipman	Appointed 25 th April 2005
Hilary Robertson	Appointed 25 th April 2005

Secretary and registered office

Janice Miles
29 Bressenden Place, London, SW1E 5DD

Company number

05256894

Auditors

BDO Stoy Hayward LLP, Emerald House, East Street, Epsom, Surrey, KT17 1HS.

THE NHS CONFEDERATION GROUP COMPANY LIMITED

Report of the directors for the year ended 31 January 2006

The directors present their report together with the audited financial statements for the year ended 31 January 2006.

Results

The profit and loss account is set out on page 4 and shows the result for the year.

Principal activities

The principal activity of the company is to perform charitable work on behalf of The NHS Confederation and also to deal with all its commercial activities, including publications and conferences.

Charitable contributions

During the period the company made charitable contributions of £1,866,865 (2005: £nil).

Directors

The directors of the company during the year were:

Nigel Edwards	
Alastair Henderson	
Steve Barnett	
Helen Bradburn	Appointed 14 th June 2005
Alan Gilbert	Appointed 25 th April 2005
Janice Miles	Appointed 25 th April 2005
Michael Ponton	Appointed 25 th April 2005
Susan Slipman	Appointed 25 th April 2005
Hilary Robertson	Appointed 25 th April 2005

No director had any interest in the ordinary shares of the company.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper 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 1985. 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.

THE NHS CONFEDERATION GROUP COMPANY LIMITED

Report of the directors for the year ended 31 January 2006 (*Continued*)

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

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

By order of the Board



Janice Miles
Secretary

15th May 2006

THE NHS CONFEDERATION GROUP COMPANY LIMITED

Report of the independent auditors

Independent Auditor's Report to the members of The NHS Confederation Group Company Limited

We have audited the financial statements of The NHS Confederation Group Company Limited for the year ended 31 January 2006 on pages 4 to 7 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Report of the Directors.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2006 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985



BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*

Epsom, Surrey

Date: 26/5/06

THE NHS CONFEDERATION GROUP COMPANY LIMITED**Profit and loss account for the year ended 31 January 2006**

	Note	Period ended 31 January 2006 £	Period ended 31 January 2005 £
Turnover	2	7,199,487	662,198
Cost of sales		2,234,744	320,302
Gross profit		4,964,743	341,896
Administrative expenses		3,183,809	344,682
Profit / (Loss) for the year		1,780,934	(2,786)
Bank interest received		85,931	2,786
Gift Aid payable to NHS Confederation		(1,866,865)	-
Retained Profit for the year		-	-

All amounts relate to continuing activities.

There were no recognised gains or losses other than the profit for the year.

The notes on pages 6 to 7 form part of these financial statements.

THE NHS CONFEDERATION GROUP COMPANY LIMITED

Balance sheet at 31 January 2006

	Note	£	2006	£	£	2005	£
Fixed Assets	4		344,113			21,760	
Current assets							
Debtors	5	2,490,094		297,708			
Cash at Bank and in Hand		271,990		203,450			
			2,762,084		501,158		
Creditors: amounts falling due within one year	6	3,106,197		522,918			
			(344,113)		(21,760)		
Total assets less current liabilities			-		-		
Reserves							
Profit and loss account			-		-		
Equity Fund			-		-		

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 15th May 2006.



Janice Miles
Director

The notes on pages 6 to 7 form part of these financial statements.

THE NHS CONFEDERATION GROUP COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 January 2006

1 Accounting policies

The financial statements have been prepared under the historical cost convention. The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Computer and other Equipment - 33.3% straight line (3 years)

Fixtures & fittings – 20% straight line (5 years)

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Directors

No directors received any emoluments from the company.

4 Fixed Assets

	Computer Equipment £	Fixtures & Fittings £	Total £
Cost			
At 1 st February 2005	19,294	2,835	22,129
Purchases in the year	79,245	280,522	359,767
At 31st January 2006	98,539	283,357	381,896
Depreciation			
At 1 st February 2005	369	-	369
Provision for the year	17,804	19,610	37,414
At 31st January 2006	18,173	19,610	37,783
Net Book Value at 31 January 2006	80,366	263,747	344,113
Net Book Value at 31 January 2005	18,925	2,835	21,760

THE NHS CONFEDERATION GROUP COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 January 2006 (Continued)

5 Debtors

	2006 £	2005 £
Trade debtors	831,260	178,606
Other debtors and prepayments	86,440	28,742
Taxation	133,975	31,001
Amounts owed by related undertakings	1,438,419	59,359
	<u>2,490,094</u>	<u>297,708</u>

6 Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	576,162	179,581
Other creditors	1,033,146	131,539
Amounts owed to related undertakings	1,496,889	211,798
	<u>3,106,197</u>	<u>522,918</u>

5 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as the directors believe the company is "small" under the Companies Act 1985.

6 Ultimate parent entity

At 31 January 2006, the company's ultimate parent entity was The NHS Confederation, a registered charity which is the parent of both the smallest and largest groups of which the company is a member.

Copies of the consolidated financial statements of The NHS Confederation are available from their registered office at 29 Bressenden Place, London, SW1E 5DD.

7 Net movements in funds

	2006 £	2005 £
Operating profit/(loss) is stated after charging:		
Auditors' remuneration – audit	84,827	25,000

THE NHS CONFEDERATION GROUP COMPANY LIMITED

The pages which follows do not
form part of the statutory
financial statements of the company

THE NHS CONFEDERATION GROUP COMPANY LIMITED

Detailed profit and loss account for the year ended 31 January 2006

	2006 £	2006 £	2005 £	2005 £
Turnover				
Core Member Subscriptions		2,701,355		-
Conference & Other Income		2,578,480		5,792
Membership Meetings		21,494		4,596
Events		689,896		5,415
Sundry Income		901,071		30,407
Intercompany charge		(10,000)		615,988
Other Sponsorship		257,965		-
Associate Affiliate Subscriptions		59,037		-
London Relations Subscriptions		188		-
		<hr/>		<hr/>
		7,199,487		662,198
Cost of Income				
Conference Fees	336,487		2,826	
Members' Meetings	198,417		53,395	
Hire of Rooms	440,598		7,335	
PR Events	127,113		1,470	
Marketing	52,166		1,587	
Regional and commercial Events	417,375		84,926	
Membership Market Research	262,554		40,394	
Membership Print and Design	42,404		56,536	
Press Monitoring	27,261		13,119	
PTC Events	40,566		14,292	
Briefings	110,212		22,711	
Annual Report	36,023		15,640	
Publications	37,111		6,071	
Web Site Costs	40,709		-	
Hospital Club	9,289		-	
Facilitation Costs	10,265		-	
Party Conferences	11,605		-	
Exhibiting	24,450		-	
News Letters Core Membership	9,315		-	
Media Distribution	826		-	
	<hr/>	2,234,744	<hr/>	320,302
Gross Profit		4,964,743		341,896

THE NHS CONFEDERATION GROUP COMPANY LIMITED

Detailed profit and loss account for the year ended 31 January 2006 - continued

	2006 £	2006 £	2005 £	2005 £
Gross Profit		4,964,743		341,896
Administrative Expenses				
Rent	264,774		435	
Rates	27,085			
Printing and Stationery	69,045		1,313	
Refreshments	47,007		1,562	
Telephone	19,525		807	
Postage	100,018		24,253	
Meetings and Hospitality	7,662		1,919	
Depreciation	37,783		369	
Salaries	372,151		75,576	
Employers NI	23,763		4,294	
Pensions	31,775		3,270	
Agency Staff	179,904		21,959	
Temporary Staff	4,888		-	
Recruitment Fees	117,451		8,792	
London Accommodation	57,919		319	
Taxis	3,555		689	
Mailhouse	15,897		2,117	
Travel and Subsistence	104,878		24,732	
Payroll costs	2,163		-	
Staff Hospitality	2,263		113	
Professional Services	208,976		21,658	
Legal Fees	86,312		393	
Audit Fees	84,827		25,000	
Office Equipment Maintenance	8,559		-	
Surveys Research Analysis	21,742		-	
Publications Printing	1,989		125	
Training and Education	69,920		1,226	
Bank and Credit Card charges	1,806		178	
Removal Costs	9,306		-	
Travel	16,479		64,634	
Subsistence	69,616		-	
Hotel	76,036		-	
General Maintenance	15,015		-	
Insurance	14,723		203	
Sundry Costs	413,451		(33,946)	
Christmas Reception	35,889		20,396	
IT Consultancy	312,814		26,813	
Selling and Distribution Costs	83,866		10,566	
Irrecoverable VAT	162,976		34,918	
		3,183,809		344,682
Profit/(Loss) for the year		1,780,934		(2,786)