

# Together building a healthier nation

ANNUAL REPORT 2020





We are the  
UK's largest  
healthcare  
charity.

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# Building a healthier nation

Our purpose is to build a healthier nation through outstanding day-to-day services, flagship programmes that address unmet health needs and increase accessibility to our services, and by collaborating on research to improve health outcomes. We work together to make the nation fitter, healthier, happier and stronger.

## Our network



**113**  
fitness and wellbeing centres



**31**  
hospitals

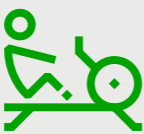


**127**  
corporate fitness and wellbeing sites



**5**  
medical centres

## Our services



**Fitness**  
Where health meets fitness. With industry leading personal trainers and gyms, equipped with the latest technology, we offer free health MOTs, varied fitness classes, and services ranging from emotional wellbeing to physiotherapy.



**Flagships**  
Supporting people through the different stages of their lives, our unique programmes address unmet health needs, and expand our reach to those who wouldn't normally be able to afford or access our services.



**Hospitals**  
Highest standards of clinical care, undertaken in state-of-the-art facilities, for a range of conditions. Treatment is consultant-led, delivering care to patients referred from the NHS, private medical insurers, and those who self-pay.



**HSSU**  
Seven modern, efficient, purpose-built Hospitals Sterile Services Units (HSSU), delivering accredited decontamination and sterilisation services for reusable medical devices.



**Workplace wellbeing**  
Unique connected range of services to meet employee health and wellbeing needs, through onsite clinics and gyms, including health assessments, emotional wellbeing, physiotherapy and GP services.



**Health MOTs**  
One-hour health checks carried out by our specialist health mentors or skilled wellbeing personal trainers, depending on an individual's need, give a full picture of a person's health and fitness.



**Personal training**  
Our CIMPSA accredited PTs don't just help people reach their fitness goals faster and more effectively, they are specialists in working with people with debilitating health conditions, such as joint pain, cystic fibrosis and long-COVID.



**Health assessments**  
A comprehensive range of face-to-face and online in-depth health checks covering key concerns such as diabetes, heart health, cancer risk and emotional wellbeing, enabling individuals to understand their body better.



**Diagnostics**  
State-of-the-art scans, imaging and wellbeing services, giving immediate insight into a person's health, and assisting in the diagnosis of early signs of disease in order to help plan ongoing treatment.



**Physiotherapy**  
Treatments to heal and prevent injuries that stop people leading active lives. As one of the UK's largest providers outside the NHS, we combine physiotherapy with fitness and emotional wellbeing, for long-term benefits.



**GP services**  
Access to a range of private GP services, offering people the flexibility to fit appointments around busy schedules, including during the evenings.



**Emotional wellbeing**  
Tailored therapy plans supported by accredited BABCP and BACP therapists, through preventative and curative treatments, including cognitive behavioural therapy, counselling, and stress management.

## Our impact



Read Claire's story on p31

“The COVID-19 Rehabilitation programme has changed my life. There was a moment when I thought I'd struggle to ever walk again.”

# Leading a healthier today

Dr Natalie-Jane Macdonald joined the Board of Trustees in 2017 and stepped into the role of Chair in June 2020, on the departure of Russell Hardy. We asked Natalie-Jane for her thoughts on a year that saw the COVID-19 pandemic place unprecedented demands on the health and wellbeing sector.

**How would you sum up 2020?**

Probably as the toughest year in Nuffield Health's history. But we've emerged stronger, with even greater belief in what we do as a charity, and the positive impact we have on people's lives. I feel immensely proud of what was achieved in difficult circumstances and believe that we rose to the challenges of the pandemic incredibly well. In a year when there were so many restrictions on what we could deliver, we still reached over 1.25 million people with our services – a great achievement.

Critically, we strengthened our relationship with the NHS. And it's my hope that we'll continue to work with NHS colleagues to help tackle the lengthy waiting lists resulting from the pandemic, doing whatever needs to be done to reduce the burden of ill health on the nation.

**What was your main focus during the year?**

My focus, and that of the Board, was to be there to support our CEO and the Executive Team, providing varied perspectives to help guide decisions, whether in relation to our people, our patients and members, or financial matters. The pressure on them was relentless. The strong leadership in Nuffield Health, coupled with robust governance and oversight, was evidenced by the fact that, on reflection, we were able to make good decisions in a fast moving and changing situation.

**Were there any standout moments?**

I was struck by how Nuffield Health became much more agile and nimble, adapting all the way through the year to everything that was thrown at us. Not only did we work together effectively and constructively across the Charity, but also together with our colleagues in the NHS – always putting patients first. People just rolled up their sleeves and did what needed to be done. There are many stories of people moving out of their comfort zones without a thought for themselves. We learned a lot from the pandemic experience, which we will incorporate into our ways of working for the future.

**What would success look like to you, as Chair?**

As a large charity, Nuffield Health has privileges and responsibilities. My goal is to maximise our impact on

unmet, or poorly met, health needs in the UK, in line with our purpose to build a healthier nation. Our commercial services enable us to do this. As a former doctor, I'm passionate about evidence-based healthcare. I would like us to have a reputation for the highest level of evidence-based health and wellbeing services, combined with a clear focus on our customers and patients.

**What do you see as the main challenges and opportunities ahead?**

The pandemic has taken its toll on people, mentally as well as physically, and I don't expect that we'll understand the true impact for some time. But, if there's one good thing that has come out of 2020, it's greater recognition that there's nothing embarrassing or stigmatising about mental health issues. Nuffield Health has a long-established emotional wellbeing offering and is well placed to support our people, patients and members in this area.

The Office of National Statistics estimates that around 1.1 million people are suffering with long-COVID. We recognised this unmet need in the community early, and our COVID-19 Rehabilitation programme was piloted in autumn 2020 to help people suffering from the consequences of the virus. Critically, it's a holistic programme, focusing on both the physical and mental impact of the infection. It's a material opportunity for us to contribute to the nation's recovery. Early feedback shows it's making a real difference to people's recovery.

**What's your wish for the coming year?**

As we gradually come out of the pandemic I want Nuffield Health, as the UK's largest healthcare charity, to play the most significant part we can in rebuilding the health of the nation. We can only do this with a strong board, a talented and committed Executive Team, led by Steve, and the 16,000 people who come together every day to make Nuffield Health the success it is.

*Natalie-Jane Macdonald*


Natalie-Jane Macdonald, Chair




“My goal is to maximise our impact on unmet, or poorly met, health needs in the UK.”

## Who is Natalie-Jane Macdonald?


**Education**

 Studied medicine at Glasgow University – the centre of the universe, or certainly my universe!


**Experience**

 Healthcare through and through. Began my career working as a doctor in the NHS. I've worked in children's services, elderly care, and acute healthcare, so my experience is rounded.


**Achievements**

 My biggest achievement is having three wonderful children.


**Passions**

 I'm really into health and wellbeing – I love swimming and running. And I really missed going to the pub during lockdown!

**Values**

 Always doing the right thing and remembering that you're nothing without the people around you. Humility is an important quality, often forgotten.

**Surprising fact**

 Doc Martens are my favourite shoes.



“During the most challenging year, we stood strong and true to our purpose to build a healthier nation, all for public benefit.”

# Together, building a healthier nation

2020 was a year that required agility and speed of response, as we faced the ever-changing circumstances resulting from the pandemic, in both our work and personal lives. It required us to work together as never before to support the health of the nation and protect the long-term sustainability of the Charity.

Steve Gray, Chief Executive Officer

I'm proud to say that, during the most challenging year, we stood strong and true to our purpose to build a healthier nation, all for public benefit.

This Annual Report showcases the achievements, and demonstrates the resilience and dedication of our people in responding to the implications of a fast-evolving situation, which will surely go down in history as the most extraordinary in our lifetimes.

## On track

At the start of 2020, as we confidently signed off our plans for the coming year, none of us could have predicted what lay ahead. Until March, our indicators were green across the board, and we were on track to exceed our targets.

Then, almost overnight, the alarming spread of COVID-19 meant our consumer and workplace fitness and wellbeing centres were forced to close; our flagship programmes were paused; many of our people were required to work remotely; and our hospitals answered the call of the NHS in its hour of need.

We were certainly facing unprecedented challenges that tested the spirits of all of us. Along with other organisations, the pandemic forced us to revise our operating model and reshape our services in response to changing attitudes and demands, and to ensure compliance with the Public Health England (PHE) and Government restrictions.

## Together with the NHS

Our hospital teams, working together with colleagues in their local NHS Trusts, played a critical role throughout the year in the fight against COVID-19, sharing staff,

facilities and equipment. Some hospitals became NHS oncology wards, treating cancer patients, thereby freeing up capacity for their local NHS Trust, while others looked after people with COVID-19 symptoms.

Our Woking hospital was asked by its local NHS Trust if it would take end of life patients. The hospital hadn't experienced a death for 13 years, so the team knew this would be difficult, but they didn't hesitate to say yes. Within two hours, their first patient had arrived (see page 39).

By the end of the year, Nuffield Health's 31 hospitals had recorded more than 242,000 NHS patient attendances.

Across our hospital network, 2020 demonstrated an exceptional example of team working with the NHS. And I'm deeply proud of the sacrifices made by our clinical and hospital teams, many of whom chose to self-isolate from their families in order to keep them, and their patients, safe. They rose to the challenges presented by the pandemic, adapting, learning to work in different ways, and supporting each other, while at the same time strengthening our relationship with the NHS and keeping patients safe.



**1.25 million**

people reached in 2020  
(2019 – 1.55 million)  
this figure excludes users of our digital fitness platform Nuffield Health 24/7 which we provided free to the public during 2020

Our three principles

Throughout the chaos of the pandemic, we responded to each situation, as it happened, in a measured and timely way, guided always by three principles, aligned to our purpose:

- 1

To look after our people
- 2

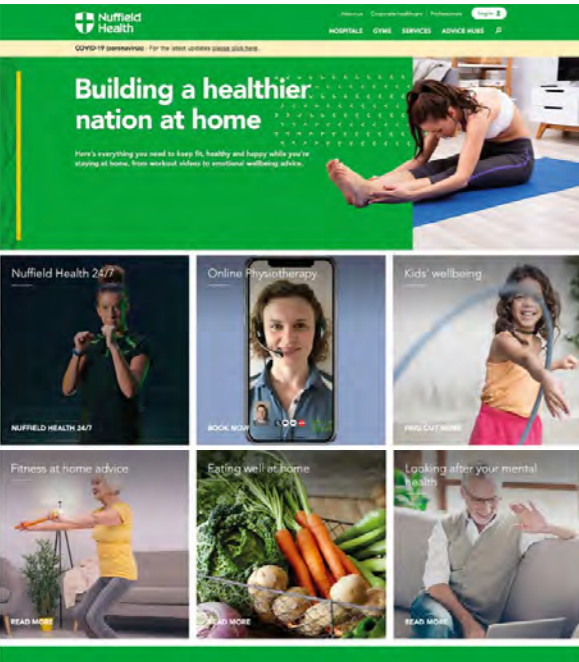
To support our patients, members, customers and wider communities
- 3

To protect the long-term financial sustainability of the Charity

Looking after our people

Recognising the impact the pandemic would have on our people, we introduced a number of measures which included creating a hardship fund for those in financial difficulty and providing free emotional wellbeing support to those struggling to cope.

To underpin these measures, we stepped up direct internal communications to our people, and created a Coronavirus Hub to store latest guidance relating to COVID-19. This included information to support and keep our people, and the patients they cared for, safe. By April 2020, the Hub had recorded over 110,000 hits.



Our 'Building a healthier nation at home' hub.  
[www.nuffieldhealth.com/at-home](http://www.nuffieldhealth.com/at-home)

Fortnightly wellbeing pulse surveys, sent to our 16,000 employees, enabled us to gauge how they were feeling, so we could take action to support them in a timely manner. To ensure we stayed connected with our people, I recorded a weekly video blog to update them on what we were doing to keep them safe, highlighting the fantastic work going on at the front line and the central support areas.

Supporting patients, members, customers and the wider communities

Watching the way our people rallied to the new demands was truly inspiring, as they were asked to work outside their normal scope.

With the home being the focus for most people, and this set to continue for the foreseeable future, digital and virtual solutions became critical to maintaining people's health and wellbeing during the pandemic. We developed a number of initiatives specifically for our patients, members, customers and the wider community. A 'Building a healthier nation at home' hub offered access to remote services, including emotional wellbeing, and free children's wellbeing advice and resources.

During the year, our teams completed over three million minutes of virtual physiotherapy consultations, and 61,750 remote emotional wellbeing sessions. Nuffield Health 24/7, our digital fitness platform, gave free access to 150 workout videos and received just under half a million views. In addition, we shared free exercise videos through our social media channels, which were viewed over 1.9 million times.

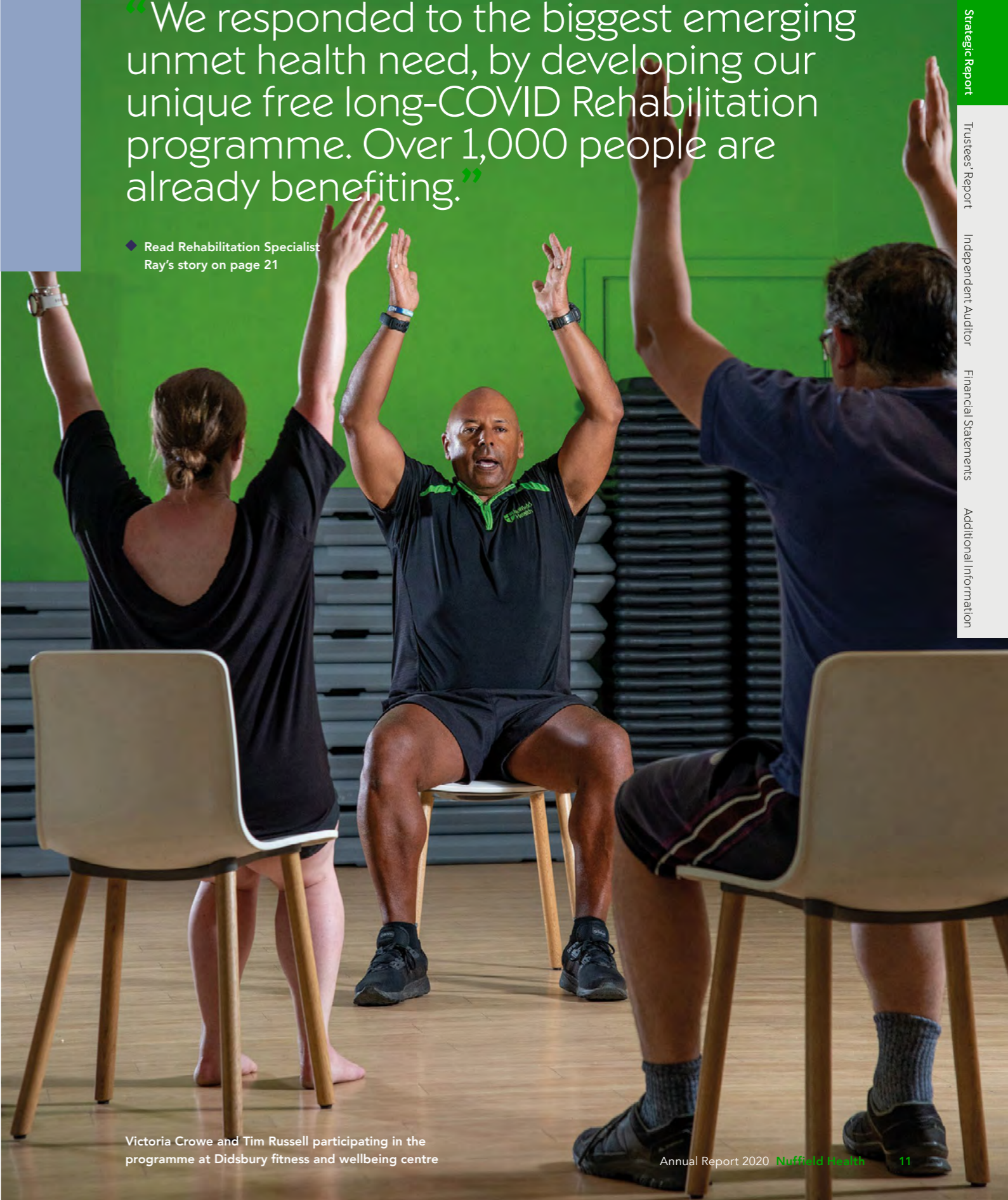
We proactively engaged with MPs, mayors and local councillors, to emphasise that the fitness and wellbeing sector is a safe and essential service that can play a crucial role in supporting the nation's recovery. Experts from the Scientific Advisory Group for Emergencies (SAGE) visited our London City-based fitness and wellbeing centre as part of their assessment to set the benchmark for the safe reopening of the gym sector.

We were delighted when gyms reopened in July and were excluded from Tier 3 measures. However, the mutated variant of COVID-19 forced the closure of our fitness and wellbeing centres once again, reinforcing the need for online services.

Our successful flagship programmes respond to unmet health and wellbeing needs in the community, and increase accessibility to those living with low resources. As we progressed through 2020, it became clear that symptoms of the virus can continue long term, and many sufferers were struggling to return to everyday activities. I'm immensely proud that Nuffield Health was the first to respond to this unmet health need. Working together

“We responded to the biggest emerging unmet health need, by developing our unique free long-COVID Rehabilitation programme. Over 1,000 people are already benefiting.”

Read Rehabilitation Specialist Ray's story on page 21



Victoria Crowe and Tim Russell participating in the programme at Didsbury fitness and wellbeing centre



Our Ipswich hospital team working together with their local NHS colleagues

with the NHS, we developed our unique long-COVID Rehabilitation flagship programme.

Launched in September 2020, this free 12-week programme blends physical and emotional wellbeing support, tailored to the individual's needs. Feedback so far is extremely positive, with one participant saying 'I don't know where I would have been without it'. Another said the programme had been 'extremely supportive and comprehensive', describing it as a 'lifeline for many' (see Claire's story on page 31).

The fast turnaround in making this flagship a reality demonstrates the strength of Nuffield Health's connected health model and our commitment to rebuilding the health of the nation at a time of crisis.

**Protecting long-term financial sustainability**

The Charity delivered a strong trading performance for the first two months of 2020, with revenue growth of 4.8%, against the same period last year.

From March, we experienced the most challenging trading conditions in the Charity's history, dominated by the pandemic and the Government enforced lockdowns. As a result, revenue for the year fell by £212.9m (21.4%), to £779.9m.

Despite this, we delivered a positive adjusted EBITDA (see page 55 for calculation) of £14.0m (2019 – £99.5m) and a net deficit after tax of £92.4m (2019 – £15.0m). This was as a result of rapidly adapting our services, successfully managing costs across the organisation, and carefully renegotiating deals with landlords. We also secured additional funding for the Charity.

**Thank you**

During this extraordinary year, we've worked together with so many people and organisations to make sense of the virus that has swept the globe, and to mitigate its impact on our people, communities, and the nation's health. The amazing force that is the Nuffield Health team was willing to embrace change; upskill; work from home; be furloughed; and move to different roles, working at pace, often outside their normal scope or comfort zone. Their efforts supported the NHS in its time of need and delivered benefits to those who needed us most. And I must express my sincere thanks to Natalie-Jane, our new Chair, and the Board of Trustees who provided continuous support to the Executive Team and me.

Our consultants worked tirelessly throughout. We're grateful for their ongoing support, advice and encouragement as we strove to change our working practices to meet the urgent needs presented by the pandemic.

Our colleagues in the NHS have worked with us to deliver the best outcomes, and the independent health sector has come together and co-operated for the benefit of all. We worked together to respond to the unique circumstances we found ourselves in and this instils in me an enormous sense of gratitude and awe.

I want to recognise here that many of our people and customers have been through dark times over the last 12 months. Some have lost loved ones to COVID-19; others caught the virus and some of those are still suffering its effects. I've been touched to hear many of their stories and experiences. As we go forward, we will never forget the personal tragedies that have unfolded as part of this global crisis.

**Looking ahead**

At the time of writing, the COVID-19 virus is still impacting activities across the world. And although restrictions in the UK have been lifted, new variants are emerging and we must continue to proceed with caution. However, with the successful roll out of the vaccination programme, there's much cause for optimism.

As we drive forward our growth strategy, and continue to react to the fluid situation we find ourselves in, we'll draw on key learnings from the past year.

There's never been a greater need for healthcare. Nuffield Health will work with the NHS to reduce waiting lists, promote preventative healthcare, address the growing mental health crisis and the impact of long-COVID. We're a strong team and, on the strength of our experiences in 2020, I'm confident we'll not only rise to the challenges but will make the most of the opportunities ahead to help more people.

Early indicators for 2021 show we've had a good start to the year and, most importantly, we're continuing to have a tangible impact on more people's lives. We're fulfilling our purpose and working together as one team to build a healthier nation.



Steve Gray  
Chief Executive Officer

# COVID-19: our response

During the pandemic, our people have been firmly behind the Government's efforts to fight COVID-19 and protect the health of the nation. People across the Charity responded, with many reskilling and others adapting and changing the delivery methods of their services. We're proud to tell the story of our response to the pandemic, through the eyes of our people.



**"I won an award in the midst of the pandemic."**

◆ Read Norlida's story on p17



**"I supported the change to virtual physiotherapy delivery."**

◆ Read David's story on p17



**"I embarked on a new career path at our HSSU."**

◆ Read Edyta's story on p16



**"I worked side by side with my NHS colleagues."**

◆ Read Jodie's story on p22



**"I trained to become a COVID-19 Rehab Specialist."**

◆ Read Ray's story on p21



**"I looked after the children of key workers."**

◆ Read Lauren's story on p20



**"I stayed connected to our customers from home."**

◆ Read Bobby's story on p18

## Our response to COVID-19 continued

In March 2020, as COVID-19 infection rates soared, the number of people admitted to hospital was causing alarm. There was growing concern amongst Government and health officials that the NHS could be overwhelmed.

It was agreed that independent hospitals should come under the direction of the NHS to ensure that fighting the virus was the number one priority for the healthcare sector. Nuffield Health fully supported the move and we were pleased to build on our strong relationship with NHS Trusts across our 31 hospitals.

With the closure of our fitness and wellbeing centres, and more people working from home, digital solutions were rapidly developed to deliver much needed online fitness, physiotherapy and emotional wellbeing sessions for patients.

Recognising that the biggest unmet health need emerging was rehabilitation for those suffering with long-term debilitating symptoms of the virus, our COVID-19 Rehabilitation programme was developed. The first of its kind, the free 12-week structured programme blends physical with emotional wellbeing therapies to help people with their recovery.

Our teams across the Charity showed immense dedication and provided exceptional care in the face of the worst healthcare crisis we've known. They cast aside their personal anxieties, and challenged themselves to put patient care first.

“People across the Charity responded. They cast aside their personal anxieties, and challenged themselves to put patient care first.”



**Jane Garvey**  
Chief People Officer



### “I embarked on a new career path at our HSSU.”

For some Nuffield Health employees, furlough turned into an opportunity to learn new skills and carve out a different career path.

Edyta Domaradzka was furloughed from her role at Bristol's fitness and wellbeing centre. After a few months at home, she was unfurloughed and asked if she would be interested in redeploying to the Hospitals Sterile Services Unit (HSSU) at Nuffield Health's Bristol hospital.

She jumped at the opportunity: “I didn't know much about HSSU before I came here. But I soon learned just how important decontamination, sterilisation and preparing medical tools are for our patients' safety.”

Edyta has now transferred permanently to HSSU and is excited about her new career path.



**1,000+**  
of our people were redeployed to new roles in order to support our healthcare teams during April-December 2020



### “I won an award in the midst of the pandemic.”

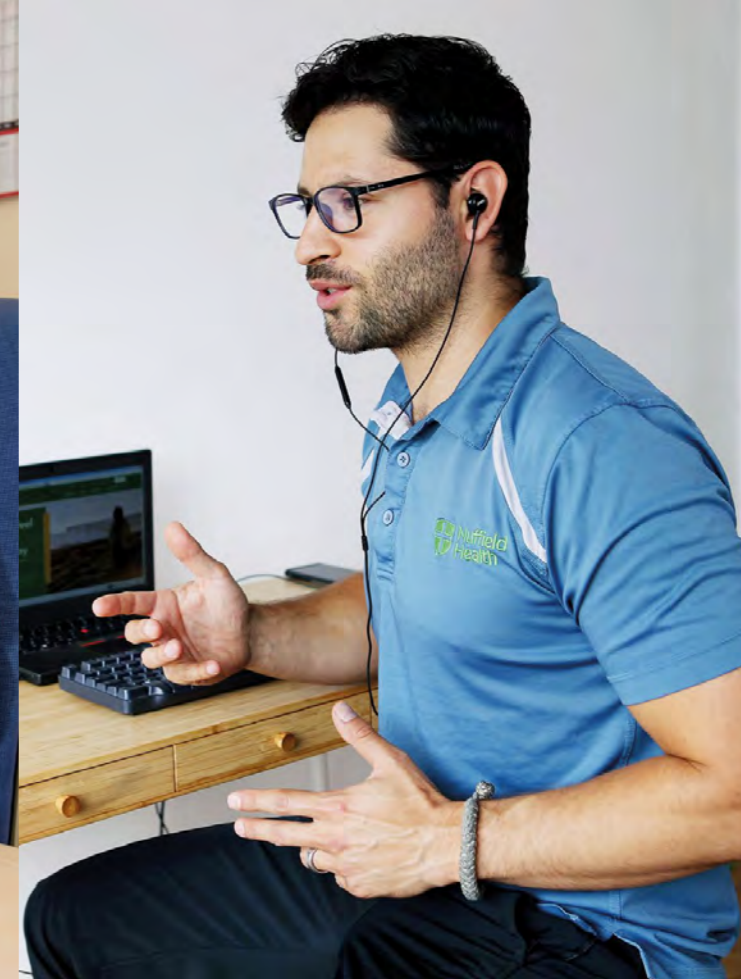
Congratulations to Norlida Stanton, Head of Housekeeping at our Oxford hospital, for winning a prestigious British Institute of Cleaning Science (BICSc) award. The 'Thumbs Up' Award celebrates 'those who've gone above and beyond during the pandemic, and displayed service excellence'.

Norlida has worked for Nuffield Health for 19 years and, in 2019, was the first Head of Housekeeping to complete the BICSc assessor level training. This enabled her to train her 20-strong team to deliver this gold standard approach to cleaning.

Carol Kefford, Clinical Director, said: “Norlida's success is a result of her having done so much to develop her team to take their cleaning skills to another level. It's never been more important to keeping our patients and each other safe.”



**1**  
BICSc Thumbs Up Award won by Norlida in recognition of her dedication to cleaning excellence



### “I supported the change to virtual physiotherapy delivery.”

David Arboleda, senior physiotherapist at Ilford's fitness and wellbeing centre, stepped into a brand new role when he was appointed as a Virtual Physiotherapy Champion. The aim was to help his colleagues quickly transition from traditional face-to-face physio sessions, to treating people virtually, as COVID-19 restrictions took hold.

“It meant working in a completely different way, that required physios and patients to change their mindset,” he says. “Virtual delivery meant therapists had to move from a hands-on role, to empowering the patient to take control of their rehabilitation.”

Although face-to-face delivery has resumed, David believes online consultations will remain the choice for some patients. “2020 was certainly a challenge and will change the way we work in future,” he says.



**3 million +**  
minutes of virtual physiotherapy consultations delivered by our teams between April and December 2020 to maintain our wellbeing services

Hospitals

Our hospitals worked closely with their local NHS Trust to provide the support they needed. In some areas, our hospitals acted as an overflow for COVID-19 patients, providing palliative care where necessary. In others, we lifted NHS services into Nuffield Health hospitals, offering care to cancer patients. Whatever the need, we worked together with our colleagues in the NHS to offer safe and effective healthcare.

Around 1,000 of our people volunteered to be redeployed into the NHS, resulting in us working together with NHS England (NHSE) to develop a Memorandum of Undertaking (MOU) and a framework to ensure safe redeployment. This was a huge undertaking, and the MOU and the framework were subsequently adopted by NHSE regionally.

Between waves of COVID-19, our clinical teams worked unrelentingly to improve processes and practices, as the impact of the virus on health became better understood. By the end of 2020, Nuffield Health had recorded over 242,000 NHS patient attendances. This was an extraordinary example of working together with one aim, and is something of which we're extremely proud.

Our Hospitals Sterile Services Unit worked tirelessly throughout the pandemic to provide surgical instrument decontamination services to our operating theatres, as well as numerous third party customers. Strict infection prevention measures were put in place to ensure safety when handling COVID-19 infected equipment.

Fitness and wellbeing centres

For many people, going to the local gym for a workout, a swim or an exercise class is an essential part of their daily lives. The closure of our fitness and wellbeing centres for a major part of 2020 was a bitter blow, not just to us as a charity but for the users who find them a safe and enjoyable environment to exercise and connect with others.

Recognising the impact the closure would have on people's wellbeing, we created Nuffield Health 24/7, our digital wellness platform, giving our members and the public free access to more than 150 workouts, across multiple disciplines. Sessions were available for all ages and fitness levels including some for 'mature movers', which proved popular. The platform has received just under half a million views to date.

We worked with the sector and Government to demonstrate how we could keep our members and employees secure and, at the same time, helped to set a benchmark for the safe reopening of the gym industry. Social distancing markers, Perspex screens in reception areas, hand-sanitising stations, reduced class



“While working from home, I stayed connected to our customers, providing reassurance, booking appointments and offering advice in an ever-changing situation.”

Bobby Brown,  
Contact Centre Senior Specialist



16,000  
our people embraced change, upskilled, worked from home, took furlough and moved to different roles

“The situation was, and still is, extraordinary; these are untrodden paths and it's fantastic that the independent sector and NHS could come together in the interests of public health.”

Patricia Warwick,  
Hospital Director, Nuffield Health Plymouth Hospital

sizes, increased ventilation, and 'wipe-pods' to enable members to disinfect equipment before and after use, were just some of the measures introduced to keep people safe.

The success of our lobbying contributed to the reopening of the gym sector in the summer. And from July to December 2020, we were delighted to welcome members back to our 113 fitness and wellbeing centres. Although membership had fallen to 249,000 (2019 – 360,000), we recorded more than one million visits, and a survey of 3,119 members showed that 89% felt safe to return.

The closure of our fitness and wellbeing centres meant we had to pause our successful Schools Wellbeing Activity Programme (SWAP), which is facilitated by our personal trainers in over 300 schools across the country. In response, our free online 'Kids Wellbeing Hub' was launched in April 2020, with the needs of both children and parents in mind. The hub contains downloadable practical resources that focus on physical and mental wellbeing, including a 'My wellbeing journal' to encourage children to explore new ways to feel, sleep, move and eat well. By the end of 2020, the resources had been downloaded over 14,000 times.

Physiotherapy

As the nation went into lockdown, our teams had to adapt to the changing environment. No longer able to see patients face to face, they turned to digital solutions.

Over three million minutes of virtual consultations were delivered through our MyTherapy app. Patient and physiotherapist could see each other during the consultation, which included education and advice based on the patient's needs, exercise prescriptions, and clinical outcomes. Feedback showed many patients found these as effective as face-to-face consultations.

Emotional wellbeing

People of all ages, and all walks of life, said their mental health deteriorated because of the pandemic.

At the beginning of 2020, we were offering face-to-face emotional wellbeing sessions to more than 4,000 patients, at 54 of our fitness and wellbeing centres, 13 hospitals, three medical centres and 21 corporate sites. In March, following the introduction of COVID-19 guidelines, we successfully switched patients in treatment to virtual therapy, via our MyTherapy app, delivering a total of 61,750 remote sessions. We also delivered a digital self-help platform, 'SilverCloud', to our corporate clients, potentially reaching a collective population of 385,000 employees.





## “I looked after the children of key workers, so they could keep us all safe.”

Our 14 Nuffly Bear nurseries remained open throughout the pandemic, offering free childcare services for the children of key workers, and vulnerable children. Lauren Kalmar is usually field-based but, due to COVID-19 travel restrictions, she worked at Nuffly Bear Nursery in Wandsworth during the pandemic.

She says although the team was naturally anxious when they heard the nurseries were staying open, there was very much a sense of pride to be “doing our bit”.

“We all pulled together. These children were really important because their parents were going through so much to keep us all safe,” she says. “We looked after the children of doctors, nurses, shop workers and police officers. All of them were so relieved and happy to be able to leave their children with us, knowing they were cared for. It was a very rewarding time, and we made sure the children had a great time when they were with us.”

The nurseries also provided a safe haven for vulnerable children, referred by Social Services or identified by the Nuffly Bear team after discussions with parents.



# 3,000+

free childcare sessions delivered between April and June by our 14 Nuffly Bear nurseries

## We launched our free COVID-19 Rehabilitation flagship programme.

Q&A with Charity and Medical Director Dr Davina Deniszczyc

### What prompted you to develop the free COVID-19 Rehabilitation programme?

We know that one in 10 people who catch COVID-19 will develop some form of long-COVID, so it's important that we react quickly and make sure there are treatments in place to support people in their recovery. Our fitness and wellbeing centres and clinics were perfectly positioned to focus on recovery. Increasing access to quality healthcare is a cornerstone of everything we do.

### What specialist input did you have when developing the programme?

We worked with leading experts in the fields of respiratory, physiotherapy, emotional wellbeing and clinical exercise, including Professor Patrick Doherty, a world expert in rehabilitation medicine. We also engaged with the NHS throughout the development of the programme.

### Who delivers the programme?

Our Rehabilitation Specialists are a clinical arm of our fitness professionals. They undergo comprehensive training to work with a variety of clinical populations and quite often those that are living with complex multi-morbidity.

### What results are you seeing?

With this being the first community rehabilitation programme for COVID-19 in the country, we have taken on board a considerable amount of learnings. We've had excellent feedback from participants and NHS colleagues. We're seeing significant improvement in physical fitness; reduction in symptoms of anxiety; and reduction in breathlessness. All our results are being shared freely with the NHS and other organisations, so together, we can improve our knowledge and continually evolve our approach to treatment.



**Dr Davina Deniszczyc**  
Charity and Medical Director



## “I trained to become a COVID-19 Rehab Specialist.”

Ray Anderson has worked at our Didsbury fitness and wellbeing centre as a Personal Trainer for three years. Now he's a Rehabilitation Specialist, helping people recover from long-COVID.

“People think the symptoms of COVID-19 last a few weeks, and then you're back to your old lifestyle,” said Ray. “But that's not the case for a lot of people, whose symptoms can go on for months. Some also develop anxiety or experience the worsening of underlying health conditions.”

Nuffield Health's Rehabilitation Specialists undergo intensive training and are skilled at dealing with emotional wellbeing, as well as exercise, nutrition and clinical rehabilitation. “It's so rewarding to see people improve week by week. One young woman described it as life changing” said Ray (see participant case study page 31).



# 1st

structured COVID-19 Rehabilitation programme launched in the UK



“I worked side by side with my NHS colleagues.”

As the pandemic took hold, our hospitals supported the NHS in whatever way they could. At our Glasgow hospital, the team worked alongside their local NHS Trusts, providing essential care to NHS Breast cancer patients.

Staff nurse Jodie Cliffe has worked at Glasgow hospital for a year and a half. “It has been a privilege to support these patients through one of the most difficult time in their lives.”

The team built excellent relationships with new consultants, anaesthetists, and specialist nurses from all the trusts. “I worked side by side with my NHS colleagues and experienced first-hand how working together can help beat this virus.”



242,000

NHS patient attendances at Nuffield Health's 31 hospitals across the UK during 2020

## Our people

A primary focus was supporting our people through the pandemic. Internal communications were strengthened to keep people updated on information relating to the virus, and the importance of self-care.

An online information hub went live in March 2020, accessible to all employees, whether they were working in our sites, at home, or on furlough. All information relating to the pandemic, including Government guidelines, how to stay safe, and targeted communications for managers, was posted on the hub.

Bi-weekly wellbeing surveys allowed us to test the mood of employees, and our CEO issued a weekly video blog, giving information about our direction and connecting directly with our people. These measures allowed us to keep track of how people were coping and enabled us to respond to their needs quickly. We were delighted when the strength of our communications was recognised with an Institute of Internal Communications Award for Best Crisis/Emergency Communications Campaign.

We offered a comprehensive package of emotional wellbeing therapies to our people to access if needed. A network of Emotional Wellbeing Champions was rolled out across the Charity, providing a point of contact for anyone experiencing a mental health issue or undergoing emotional distress. Specific support was available to our clinical teams, and our leadership team was encouraged to provide help and support to anyone struggling to cope.

As part of our commitment to support our people during the pandemic, we developed a bespoke employee COVID-19 Rehabilitation programme offering a blend of physical and emotional support. The 12-week programme, which mirrors our unique flagship Rehabilitation programme, is self-managed and delivered remotely so employees can access it in their own time. Within the first month of launching, 60 of our people had signed up to the programme.

## Looking ahead

It's clear that COVID-19 will be around for years to come, so we're planning for the longer term to ensure we work together across the Charity to do everything possible to continue to keep our patients, members and employees safe and well. We're confident our fitness and wellbeing centres will provide safe and secure environments all. We'll continue to champion the importance of the fitness sector as an essential service, with a key role to play in ensuring the physical and mental recovery of the nation. And, while our hospitals are now back under the direction of Nuffield Health, we're ready to assist the NHS should we be needed in the future.

“The flexibility of the NHS and Nuffield Health has been incredible. I've been so impressed with the ‘can do’ attitude and commitment of everyone involved.”

**Dr David Fluck**

Acting Chief Executive  
Ashford and St Peter's Hospital's NHS Foundation Trust



# Healthcare market trends

COVID-19 highlighted the importance of preventative healthcare and emotional wellbeing. As we move beyond the pandemic, we will undoubtedly see changes in the way healthcare is delivered, and more emphasis on personal responsibility.

## 1 Population and demographic shifts

The UK population is ageing, with increasing underlying health needs and co-morbidities often linked to lifestyle factors such as obesity. Over the next decade, mental health, cancer, and musculoskeletal conditions will have a greater impact on more lives. NHS England data shows waiting lists topped five million at the end of April 2021, and there will be a trend towards increasing accessibility of care through convenient and affordable models.

How this affects us

There's scope for Nuffield Health to reach a wider population and increase accessibility, as the need for health and fitness services grows. The move towards digital healthcare offerings, which began during lockdown, is likely to continue as people become more used to online consultations and fitness apps. We'll build on our strong relationships with the NHS, and will help to reduce waiting lists if needed.

Actions we are taking

We're increasingly connecting our services across multiple types of health provision, most notably in the areas of prevention and rehabilitation. During the year, our physiotherapy and emotional wellbeing services moved online – a move that proved popular with patients. Our flagship programmes increase accessibility to more people across all societal groups.



## 2 COVID-19 recovery

The pandemic has widened pre-existing health inequalities, increased cancer mortality, and caused significant delays in treatment, resulting in long NHS waiting lists. In addition, it's been recognised that the effects of COVID-19 can continue far beyond the initial period of illness. A Nuffield Health survey shows 83% of Britons are concerned about the ongoing negative impact of the pandemic on their mental health, with more than a third reporting increased stress and anxiety (38%).

How this affects us

It's estimated that over two million\* people may have had long-COVID and this will remain a significant health issue for the foreseeable future, increasing demand for health and wellbeing services.

Actions we are taking

Our free COVID-19 Rehabilitation flagship programme is now available in 40 fitness and wellbeing centres. Initial results show significant improvements in breathing, strength and stamina, along with a reduction in symptoms of anxiety. We're encouraging employers, schools and the media to drive the demedicalisation of everyday mental health language and urge people of all ages to seek help sooner rather than later.

\* [www.gov.uk/government/news/new-research-shows-2-million-people-may-have-had-long-covid](https://www.gov.uk/government/news/new-research-shows-2-million-people-may-have-had-long-covid)



## 3 Corporate wellbeing

The increased emphasis on health and wellbeing, coupled with the pressures of the pandemic, will see corporates reviewing their wellbeing offerings to ensure they're aligned to the needs of their workforce. There are early signs of increased funding and a clear focus on mental health, as it's estimated that 37% of organisations\*\* who already have a wellbeing budget plan to grow it in the next 12-18 months.

How this affects us

Employee wellbeing is a growing sector and increasingly on the agenda of organisations. It's grown to encompass a broad spectrum of health and wellbeing measures, including physical fitness and mental health, giving us the opportunity to provide further corporate wellbeing services through our connected healthcare offering.

Actions we are taking

We offer connected healthcare services to over 1,600 organisations to help them improve and maintain the health and wellbeing of their employees. Our digital and face-to-face services range from onsite gyms, to delivering physiotherapy sessions, and emotional wellbeing therapy. We focus on capturing data to evidence outcomes for employers.

\*\* [www.aon.com/unitedkingdom/employee-benefits/resources/benefits-and-trends/default.jsp](https://www.aon.com/unitedkingdom/employee-benefits/resources/benefits-and-trends/default.jsp)



## 4 Digital health

During the year, there's been a significant increase in technology usage towards more virtual means of healthcare access, such as telephone and online consultations. Prior to March 2020, medical consultations were overwhelmingly conducted face to face. COVID-19 has accelerated this shift, with people using convenient modes of access such as the telephone and the internet although this is less true for acute consultations.

How this affects us

Expectation of continued use of virtual technologies, particularly for less acute scenarios. Increasing amounts of time spent at home has led to significant demand for online solutions across all areas of health and wellbeing.

Actions we are taking

During 2020, many of our healthcare services, including physiotherapy and emotional wellbeing, adopted virtual delivery methods. People are taking control of their health and wellbeing but, alongside this, time is of the essence. Strengthening digital offerings to improve consumer engagement, convenience, and access will be key. We've developed a range of online services and apps, including our digital fitness platform, Nuffield Health 24/7, to allow people to access support and advice at a time that suits them.



# Our strategic intent

## Our purpose

To build a healthier nation, we advance, promote and maintain health and healthcare of all descriptions and prevent, relieve and cure sickness and ill health of any kind, all for the public benefit.

## Our vision

To help individuals to achieve, maintain and recover to the level of health and wellbeing that they aspire to, by being a trusted provider and partner.

### Strategic objectives



#### Public benefit

Deliver a measurable health and wellbeing benefit to a diverse representation of the UK public  
Read more on pages 28-35



#### Quality assurance and outcomes

Be the industry leader in Quality standards and health outcomes  
Read more on pages 36-43



#### Connected health

Deliver an accessible and personalised health experience journey for members  
Read more on pages 44-47



#### Brand leadership

Be the UK's most known and trusted health and wellbeing brand  
Read more on pages 48-51



#### Financial sustainability

To enable sustainable investment in support of our purpose  
Read more on pages 52-57

### 2020 highlights

1.25m

people reached  
(2019 – 1.55m)

94%

hospitals rated good or outstanding  
(2019 – 94%)

10%

use two or more of our services  
(2019 – 13%)

16%

spontaneous awareness  
(2019 – 15%)

£14.0m

adjusted EBITDA  
(2019 – £99.5m)

### Sustainability pillars



#### Healthy Work

We aim to provide a stimulating, inclusive and healthy working environment within which our 16,000 people can thrive and achieve their career goals and aspirations



#### Healthy Environment

We continually look for ways to reduce our impact on the environment in all areas of the Charity, including delivering sustainable healthcare and being environmentally aware



#### Healthy Communities

We engage with the communities in which we operate and stay relevant to their specific needs, ensuring accessibility to services, and providing meaningful work opportunities

### Our values



#### Connected

We work together as one Nuffield Health to deliver the best experience to our patients, customers and colleagues



#### Aspirational

We inspire individual and collective health and wellbeing



#### Responsive

We listen, communicate and act in an open, straightforward way



#### Ethical

We demonstrate our commitment to individuals, our communities, society and the environment

# Public benefit



Everything we do is driven by our purpose to build a healthier nation. We deliver public benefit by making a difference to people’s lives through the quality of our care and outcomes, groundbreaking research and development, and by addressing unmet health needs.

Nuffield Health is passionate about making a long-lasting impact on the communities in which we operate and to the overall health of the nation. In 2020, despite the restrictions imposed by the pandemic, more than 1.25 million people, including those living on lower resources, benefited from our services.

We make a difference by focusing on addressing unmet health needs through our unique flagship programmes, and on expanding our reach to those who wouldn’t normally be able to afford our services. During the pandemic, our Nuffy Bear nurseries offered free places to the children of key workers, and vulnerable children, providing much needed support to local communities.

We deliver best quality outcomes. Feedback from our emotional wellbeing patients showed that 98% reported an improvement in their condition. We invest in research to develop evidence-based practice to improve health and wellbeing, and our findings are freely distributed.

Our Social Return on Investment framework enables us to further measure our public benefit and, importantly, it gives us the ability to see how we can make an even greater contribution towards making the nation healthier, happier and fitter.

2020 HIGHLIGHTS



1.25m  
people reached



1st  
structured COVID-19  
Rehabilitation programme  
launched



14,000  
downloads of our Kids’  
Wellbeing and teaching  
resources



335%  
SROI: estimated social  
return generated on our  
investment in our flagship  
programmes

Our flagship programmes

Our flagship programmes are the beating heart of Nuffield Health. They're a range of free or subsidised services, which address unmet health and wellbeing needs in local communities. During 2019, more than 17,500 people benefited from these programmes, designed to help people get well, stay well, and live well through the different stages of their lives. It had been our hope that, in 2020, we would significantly increase the number of people participating in these programmes but, due to COVID-19, our core flagships were put on hold. We, therefore, turned our attention to the nation's biggest unmet health need, that of rehabilitation after contracting COVID-19.

FLAGSHIP:  
COVID-19 Rehabilitation programme

Our COVID-19 Rehabilitation programme was the first of its kind in the UK. Developed in collaboration with the NHS and leading industry experts, it recognises that recovery from the virus can take months, and potentially years. Some patients are left with lasting physical damage including difficulty breathing and problems with mobility. For others the effects of the virus can exacerbate underlying health conditions such as heart disease, and cause mental health and anxiety issues.

In September, Nuffield Health launched a 12-week pilot rehabilitation programme to support patients in their recovery after they've received medical treatment for COVID-19. Our unique position in the health and wellbeing sector allowed us to draw on a wide range of clinical teams, including respiratory experts, physiotherapists, emotional wellbeing, and clinical exercise, to ensure the programme offers the most effective rehabilitation for long-COVID patients.

Combining physical therapy with emotional wellbeing support, the free programme is tailored to the individual's recovery needs. The first six weeks are delivered remotely, with weeks 7-12 taking place at the participant's local Nuffield Health fitness and wellbeing centre. Weekly one-to-one meetings with a Rehabilitation Specialist focus on an individual's emotional wellbeing and their particular needs at that time, such as goal setting, personalised low level exercise to build up stamina and strength, healthy eating and better sleep. Participants also have access to a community where they can share their experiences of having had COVID-19, and discuss symptoms and progress.

Referred to the programme by their local NHS Trust, patients are triaged online by a specially trained Nuffield

“One of the hardest things to deal with was the attitude that ‘you’re young, you should be able to get over it’.”

Claire McVittie  
Participant on the COVID-19 Rehabilitation programme



The Rehab hub and journal help participants to track their progress  
[nuffieldhealth.com/covid-19-rehab](https://nuffieldhealth.com/covid-19-rehab)



CASE STUDY

From six to 10,000 steps in five months

Claire McVittie, a 33-year-old primary school teacher, contracted COVID-19 in 2020. Overnight, she went from training for the Manchester Marathon, and playing netball three times a week, to finding it difficult to walk “six steps to the bathroom”.

After two months, Claire was no better, and after three months, although the cough had eased and her sense of smell and taste had returned, other troubling symptoms had taken hold including severe fatigue, hair loss and a heart rate consistently over 100 beats per minutes, sometimes spiking to 174.

“One of the hardest things to deal with was the attitude that ‘you’re young, you should be able to get over it’,” she says. “I kept wondering what I was doing wrong that meant I couldn’t recover.”

Thankfully, Claire’s GP referred her to Nuffield Health’s Rehabilitation programme which was piloting in Manchester. “I began to feel that I was doing something to help myself get better, and I had the validation and reassurance from Ray, my Rehabilitation Specialist, and others in the group.” Claire spoke to Ray regularly, one to one. “He was so good at listening and it was really helpful to have someone looking at the bigger picture, rather than just medical symptoms.”

At the start of the programme she set herself a goal, with Ray, to walk 100 steps every other day. This turned into 1,000 and then 2,000. And five months after first contracting the virus, she hit the 10,000 steps milestone.

Claire says she’s now better able to manage her symptoms. “I’m much stronger. I have to give credit to the Nuffield Health programme for this. I can now get outside for walks and meet other people, which has improved my mental health a lot.”

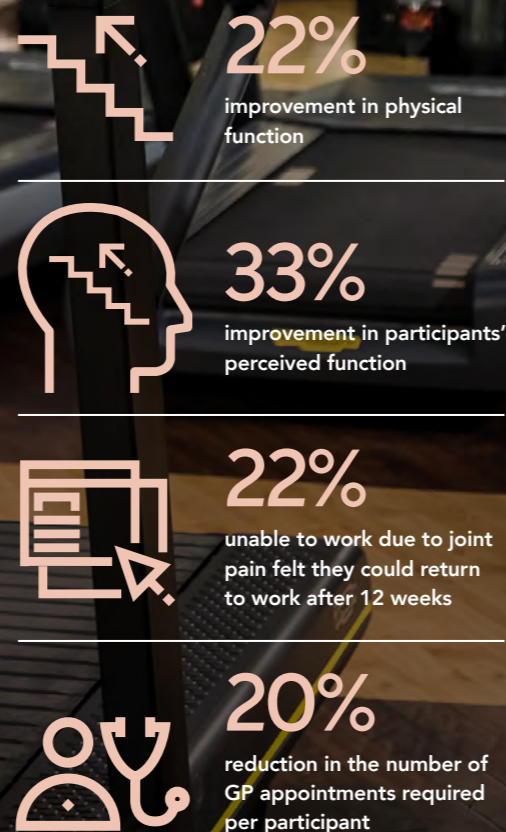


## FLAGSHIP: Joint Pain

At the beginning of 2020, our Joint Pain programme was running in 48 of our fitness and wellbeing centres. It had been our intention to increase the number of sites over the year. However, due to the COVID-19 restrictions, it was necessary to pause the programme in March 2020.

We're delighted that the Joint Pain programme restarted in April 2021. It's our intention to increase the number of sites offering the programme to 70 by December, allowing us to reach even more people suffering from debilitating joint pain.

The Joint Pain programme aims to reduce pain, increase mobility, and improve mental health by encouraging sufferers to participate in regular exercise. Feedback has been exceptional, with over 65% of participants achieving clinically significant improvements. Many of them continue to exercise at our gyms, along with others from their joint pain group, after the structured programme has finished. It gives them a peer group to socialise with, and motivation to maintain an exercise programme.



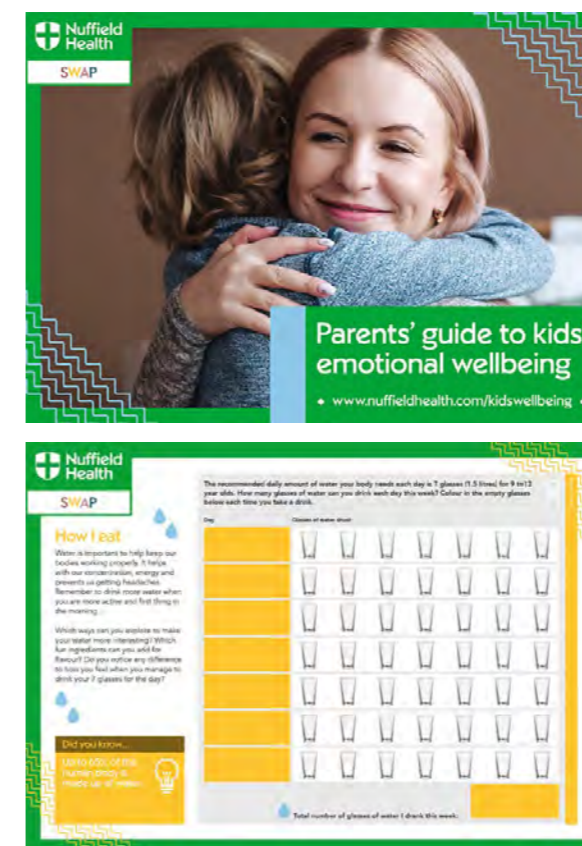
Outcomes from Joint Pain participants to date.

## FLAGSHIP: SWAP

For the first few months of 2020, over 7,000 children had taken part in our successful School Wellbeing Activity Programme (SWAP) – an amazing achievement. So it was particularly disappointing when the pandemic meant we had to put the programme on hold.

Our Kids' Wellbeing online platform provided an alternative to face-to-face sessions and saw a total of 14,000 downloads in the nine months from April to December. The online platform provided a wealth of information for children and their families, including an interactive wellbeing journal, and guides for talking to children about mental health.

SWAP, launched in 2018, addresses four key areas of wellbeing – how I move, eat, sleep and feel – giving children the knowledge to manage their wellbeing inside and outside the school. It's hoped that lessons learned will stay with them throughout their lives. In 2021, we'll be reviewing SWAP to ensure that it's relevant to the post-COVID-19 environment.



The Parents' guide to kids' emotional wellbeing and an activity sheet from the interactive SWAP journal.  
[nuffieldhealth.com/kidswellbeing](https://www.nuffieldhealth.com/kidswellbeing)

## FLAGSHIP: Cystic Fibrosis

Our CIMSPA accredited Cystic Fibrosis programme is our longest running flagship, having started in 2011 in partnership with Great Ormond Street Hospital. Working with 12 NHS Trusts, the programme offers free, tailored, personal training to young people living with cystic fibrosis, aged between five and 17.

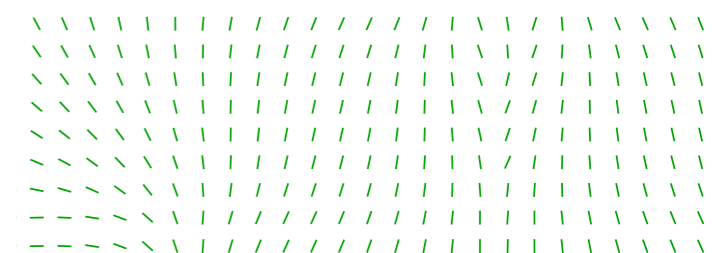
During the first quarter of the year, 565 young people were taking part in the programme. It was, therefore, a great disappointment to us when we had to halt the sessions due to the pandemic. The programme has helped many young people and their families and, in 2021, we'll review how and when we recommence the programme in light of COVID-19 restrictions.

## FLAGSHIP: Stamina

Around half of all men in the UK with prostate cancer undergo a hormone treatment called Androgen Deprivation Therapy (ADT), the side effects of which can cause depression, anxiety and weight gain.

In 2018, we partnered with Sheffield Hallam University on a National Institute for Health Research (NIHR) funded project looking at the effectiveness of long-term supported exercise, and its impact on improving quality of life and reducing cancer-specific fatigue for men undergoing this treatment.

The STAMINA project is the biggest clinical trial of its kind, and so it was with huge regret that we had to pause the delivery of the pilot during the pandemic. However, Nuffield Health continued to support the STAMINA researchers in the development of a new pilot to be delivered remotely. This commenced in March 2021, allowing the team to reduce the risk of any future national lockdowns affecting the main trial, which is scheduled to begin in September 2021, across 20 Nuffield Health sites.





Dr Ben Kelly  
Director of Research,  
Outcomes & Data Science

“Through leveraging the power of our data, we will optimise health outcomes for all of our beneficiaries.”



Above: The Manchester Institute of Health and Performance

Right: ‘More than words’, our published white paper on the importance of language to normalise everyday mental health [nuffieldhealth.com/more-than-words](https://nuffieldhealth.com/more-than-words)



Research and partnerships

In 2020, we continued to invest in our research and development activity, as illustrated by our commitment to Manchester Institute of Health and Performance (MIHP). Our focus on data science will continue over the next 12 months as we leverage the power of our data and optimise outcomes to our beneficiaries.

Manchester Institute of Health and Performance

In 2020 we became MIHP’s official operating partner. MIHP is a Care Quality Commission (CQC) regulated three-way collaboration between Manchester City Football Club, Manchester City Council, and Sport England. This state-of-the-art facility, established in 2016, comprises three areas:

- diagnostic and medical
- fitness and performance
- research and development.

MIHP will become Nuffield Health’s formal research and development hub, designing and testing new treatments and care pathways. As well as supporting the medical needs of professional athletes and wider beneficiaries, the centre will drive world class health research and be an integrated part of the community, supporting local people with their unmet health needs.

Mental Health report

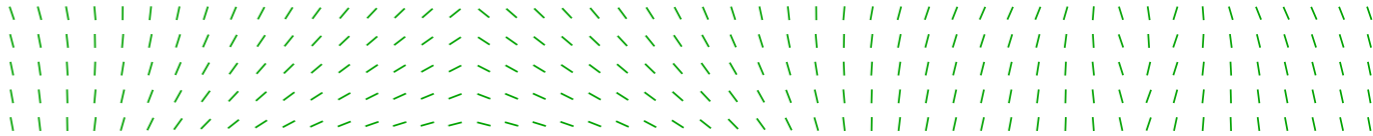
Current estimates predict that more than 10 million people in England alone will need either new or additional mental health support as a direct consequence of the pandemic\*. It’s likely that this figure will rise as the consequences of COVID-19 continue to disrupt lives.

Following a panel discussion with leading mental health experts, we published a report titled ‘More than words’, which focuses on the importance of language to normalise everyday mental health conditions and enable access to support in uncertain times. The aim is to encourage more people to seek help sooner rather than later. The report calls for a move away from the ‘medicalisation’ of everyday mental health matters, towards prompting people to tell their stories and facilitate conversations that everyone can relate to.

In December, in partnership with the Mental Health Foundation, we launched a digital questionnaire to encourage people to think more holistically about their mental health. Users are guided towards information to help maintain emotional resilience and identify sources of support for problems they may be experiencing.

In 2021, we’ll continue to encourage employers, schools and the media to help drive the demedicalisation of

\* [centreformentalhealth.org.uk/publications/covid-19-and-nations-mental-health-october-2020](https://centreformentalhealth.org.uk/publications/covid-19-and-nations-mental-health-october-2020)



everyday mental health issues to accelerate the much needed change in language.

Leicester Real World Evidence Unit (RWEU)

Despite the pandemic, our relationship with Leicester RWEU continued to grow. The completion of an analysis of outcomes for hip and knee surgery established that Nuffield Health is highly effective in improving the long-term quality of life for those having had lower limb surgery. We’re currently writing a paper for peer review and subsequent publication in 2021.

Following on from this work, a prediction tool is being piloted to enable us to further optimise outcomes. It will allow us to predict how an individual will respond to surgery, built on baseline characteristics. Where modifiable factors can be addressed, we’re able to prescribe an appropriate course of action ahead of, or following, surgery to optimise patient outcomes.

Manchester Metropolitan University (MMU)

Our Centre of Excellence for Health and Wellbeing, in collaboration with MMU, has continued to grow. Our aim is to develop proactive, personalised healthcare, and support healthy living through research, innovation, education and workforce development.

To this end, we’re designing pioneering and innovative approaches to healthcare, and supporting healthy living. We believe that promoting the importance of emotional wellbeing and better lifestyles will improve workplace health. During the year, our collaboration with MMU resulted in a number of achievements, including the publication of two papers; the commissioning of seven research projects; and the funding support for three PhDs.

Evidencing our benefit

Nuffield Health exists to provide and develop healthcare services for the benefit of the public. Over the last three years, we’ve worked with Frontier Economics to create a bespoke Social Return on Investment (SROI) framework, taking into account our unique characteristics as a healthcare charity.

SROI enables us to actively measure our wider impact and the benefits we’re making to society and communities. It also gives us the ability to see how we can make an even greater contribution in the future.

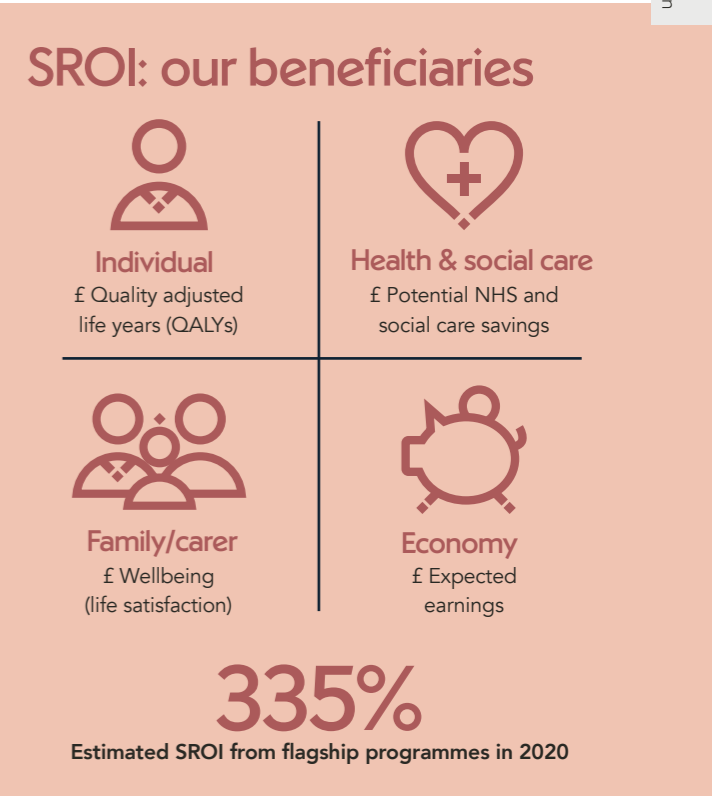
To understand who is impacted by the activity or service, we identified four main beneficiaries of our services. These are: the individual, family/carer, health and social care, and the economy. We then looked at how the different beneficiary groups are impacted. For instance, will an individual’s physical health or mental wellbeing be improved as a result of our service, and could this reduce their reliance on other services, or affect their ability to

return to work. By identifying an outcome measure for each beneficiary area, we’re able to quantify the social impact for each. In 2020, our flagship programmes generated a SROI of 335%.

Going forward, Nuffield Health will continue to evolve its SROI framework, focusing on:

- improving understanding of SROI through better data collection and robust analysis across all our services, particularly those that are paid-for, where we strive to go ‘over and above’ that which is offered by our competitors
- increasing the value of SROI, possibly through the expansion of services that create the highest value to other locations and populations, by replicating this success in other services, or by creating new services that have a strong SROI at their core
- ensuring that SROI plays a prominent role in guiding our overall organisational strategy, alongside other considerations such as continuing to be a great employer while focusing on environmental sustainability, and financial return on investment.

We believe in sharing best practice and, in 2021, we’ll be publishing our SROI report on our website, which will include our detailed methodology. This will be freely available, so other organisations can benefit.



# Quality assurance and outcomes



Our aspiration is to be the best, the safest, and most effective health and wellbeing provider there is – an organisation where our patients, members, customers and partners have a truly exceptional experience.

Underpinning our Quality aspiration is our belief that our people must be the most highly skilled professionals; our processes, practices and procedures must be evidence-based and meet, or exceed, healthcare standards; and our technology must be cutting edge.

In 2020, our commitment to Quality across the Charity withstood the ultimate test, when we made our hospital facilities available to the NHS in support of the fight against COVID-19. We're proud that we supported more than 242,000 NHS patient attendances, allowing people to benefit from care and treatment provided by our 31 hospitals.

The dedication and 'can-do' spirit of our teams showed no bounds in the way they responded to the challenges presented by the pandemic. In some areas, NHS Trusts transferred their whole service provision, such as cancer care, into the local Nuffield Health hospital. In other locations we provided a safe clinical environment for NHS patient overflow, and some of our hospitals took end of life patients, which necessitated palliative care. This was all a huge logistical challenge, which in normal times would have required months of meticulous planning. The speed of transformation of our sites was

2020 HIGHLIGHTS



242,000

NHS patient attendances across our 31 hospitals



98%

of hip replacement patients saw an improvement six months following surgery



Top 10

Featured in the NHS's Top 10 UK Hospitals list



94%

of hospitals rated 'good' or 'outstanding' by national regulators



Caroline Smith  
Chief Quality and  
Operating Officer

“We are proud to have worked in partnership with our NHS colleagues delivering high quality clinical care together, as one team.”

made possible because of Nuffield Health’s long-term investment in clinical Quality and our commitment to safe and effective care provision.

We’ve always maintained strong relationships with our colleagues in the NHS and these strengthened during the year as we worked together, building new friendships, collaborating, and learning new skills. We were particularly touched when NHS staff came to our hospitals and joined our teams for the Thursday evening ‘Clap for the NHS’.

Governance

Good governance is the foundation of continuous improvement and best practice. Throughout the pandemic, Quality has remained the number one priority for Nuffield Health and will remain so as we move into 2021 and beyond. It continues to lead the agenda for our Board of Trustees and Executive Board meetings.

COVID-19 required the health sector to change much faster than it would normally, particularly in areas such as people development and training; communication; speed of response; and flexibility. Therefore, during 2020, meetings were held more regularly, mostly virtually, in order to facilitate agile decision making and support to our teams.

Throughout the pandemic, we remained true to our Quality aspiration and continued to apply the same level of rigour and Quality analysis to everything we did. This gave us confidence that our care standards were being maintained, despite the changes in activity and service provision.

We were operating in a changing and volatile environment. To enable our people to function safely and effectively, we developed a set of guiding principles to govern our services. These were updated continually, in line with evidence-based guidance, which translated NHS situations and requirements into the context of Nuffield Health.

Our long-standing commitment to Quality, and our decision not to compromise or modify this approach, enabled us to navigate our way through 2020. As we move into 2021, quality and safety will continue to be prioritised over financial performance. Everything we do will be evaluated against the pillars of our Quality Assurance Framework: Safety, Effectiveness and Experience.

Quality Assurance Framework



CASE STUDY

“We did all we could.”

Nuffield Health’s hospital in Woking, Surrey, had not experienced a patient death in 13 years. In March, when the pandemic meant the hospital came under the direction of the NHS Trust, the team were asked if they would take end of life patients. The answer was ‘yes’ and within two hours the first patient arrived.

It was a huge decision to make but one which matron Carole Ingleby felt was right, despite the fact that most of the team had only ever worked on relatively low risk elective surgery wards. “We’ve got single rooms so we could offer these patients the privacy and peace they needed,” said Carole. “We felt we could do a good job.”

Kat Truswell, Deputy Theatre Manager was part of the team dedicated to making the time as comfortable as possible for the patients. “We did all we could, including reading to them, playing their favourite music, or just listening and holding their hands,” said Kat. Conversations with patients were recorded on cards and given to relatives and carers. “To ensure everyone was guaranteed the respect and dignity they deserved, we contacted local religious leaders, including the Imam, to find out what was expected”, said Kat. It was important to the team that their end of life should be in line with a patient’s religious beliefs.

The intensity of those three months inevitably took its toll on the hospital staff. “We called in the Charity’s emotional wellbeing team early on, to give support to our people,” said Carole. “I’m so proud of everyone at the hospital,” she said. “They epitomised what life’s all about, and that’s being the best for each other.”

The 34 patients who died will always be in the hearts of the Woking team. A memorial rose garden has been created in the grounds of the hospital.

Achieving high standards

94% of our hospitals are rated ‘good’ or ‘outstanding’ by national regulators. COVID-19 restrictions meant the Care Quality Commission (CQC) was unable to carry out face-to-face assessments during 2020. It therefore developed a transitional approach, comprising virtual monitoring. All our sites underwent virtual monitoring. We’re pleased that, despite the challenges thrown up by COVID-19, no significant issues were raised by CQC in respect of Nuffield Health sites, and several received positive feedback.

Our HSSU played a key role in the fight against infection, continuing to safely disinfect, sterilise and deliver surgical equipment on a large scale, for us and others in the healthcare sector. HSSU is regulated by the British Standards Institution (BSI), which undertakes annual surveillance audits. Because of COVID-19, audits were carried out remotely, with tasks live-streamed for the auditors to observe. Our teams impressed the auditors with how well they adapted to enable ‘access to all areas’.

With great feedback, and only two non-conformances recorded across all sites for the year, we were delighted that HSSU achieved a personal best in this most difficult of years when Quality and safety were paramount.

We’re also proud to hold ISO standard certification in key areas: Environmental Management; Information Security Management; Quality Management; and Occupational Health and Safety Management. This demonstrates our commitment to Quality assurance.

Despite the challenges posed by the pandemic, we continued to advance our quality position and received industry recognition in several areas:

- Nursing Times Workforce Award for Preceptorship Programme of the Year
- featured in the NHS’s Top 10 UK Hospitals list, with two sites providing significantly better health outcomes across both hip or knee replacement surgery\*
- 94% of knee replacement and 98% of hip replacement patients saw an improvement six months following surgery, in line with industry averages\*\*
- 69% of knee replacement and 70% of hip replacement patients achieved a better than expected health outcome, both above the 63% and 66% national averages.\*\*

\* PHIN publication – February 2021  
\*\* NHS Digital publication – February 2021

CASE STUDY

## “Putting the care of the patient at the heart of everything.”

In March 2020, as our hospitals moved under the direction of the NHS, the decision was made to transform our CQC registered clinic at our fitness and wellbeing centre at Birmingham Rubery into a hub treating patients living with cancer. This meant chemotherapy for vulnerable patients from four of our hospitals could continue.

Within two weeks, the site was completely remodeled, with carpets taken up and replaced with easy to clean flooring, and the necessary equipment transported, tested and placed in position.

Deborah Scott, National Quality Lead for Cancer Services, said: “This was an excellent example of our hospitals working together collaboratively with our fitness and wellbeing centres, always putting the care of the patient at the heart of everything we did.”

Everything was done to make patients as comfortable as possible and transport was arranged for those living some distance from the site. Feedback showed patients felt safe and protected from the virus, because it was a closed unit. They also felt cared for and supported, in a welcoming and pleasant environment.



### Cancer care

Throughout the pandemic, our hospitals worked closely with NHS Trusts to provide safe, secure, clinically effective care for people living with cancer. Our relationship with the NHS was strengthened through these challenging times as we delivered high level expertise to facilitate the best patient outcomes. In some areas, the NHS Trust transferred its cancer provision into the local Nuffield Health hospital. For example, Addenbrookes Hospital relocated nurses, doctors and pharmacists to work alongside our Cambridge team.

The hubs set up in our CQC registered clinics, based within our fitness and wellbeing centres in Farnham and Birmingham Rubery, proved a lifeline for existing Nuffield Health patients living with cancer. The unique make up of our estate allowed us to transform our centres into clinical hubs, providing essential care to vulnerable patients in a clinically-safe and COVID-secure environment.

Despite the testing times, we delivered on our commitment to install iQemo at all our sites. iQemo is an electronic chemotherapy prescribing system, which provides automatic dose calculations, allergy and sensitivity alerting, and drug-to-drug interaction support. This was a significant achievement for us, and a key Quality improvement initiative. The system is safely managed, with effective governance controls, and is undoubtedly of great benefit to our patients.

In 2019, our Quality Lead for Cancer Services set up the Independent Sector Cancer Network (ISCN). As a result, a paper titled ‘Standards for cancer care in the

independent sector’ was developed, covering diagnosis to end of life care. Demonstrating the robustness of the paper, most independent healthcare providers adopted the standards during 2020. The standards also informed several of our cancer care policies and procedures. We remain committed to continually improving cancer services, in line with national cancer standards and best-practice guidance.

### Assessing people for surgery

At the beginning of 2020, we were focused on embedding our streamlined pre-operative assessment (POA) process across our hospital network to ensure patients were safe and fit for surgery. This included optimising clinical recovery and delivering long-term health benefits including improved mobility. However, in March, when we came together with the NHS, our focus changed and we adapted our pre-operative criteria, focusing on safe and effective admission. The use of robust pre-admission screening enabled us to mindfully support the NHS in a safe and secure manner, and ensure patient safety was safeguarded at all times.

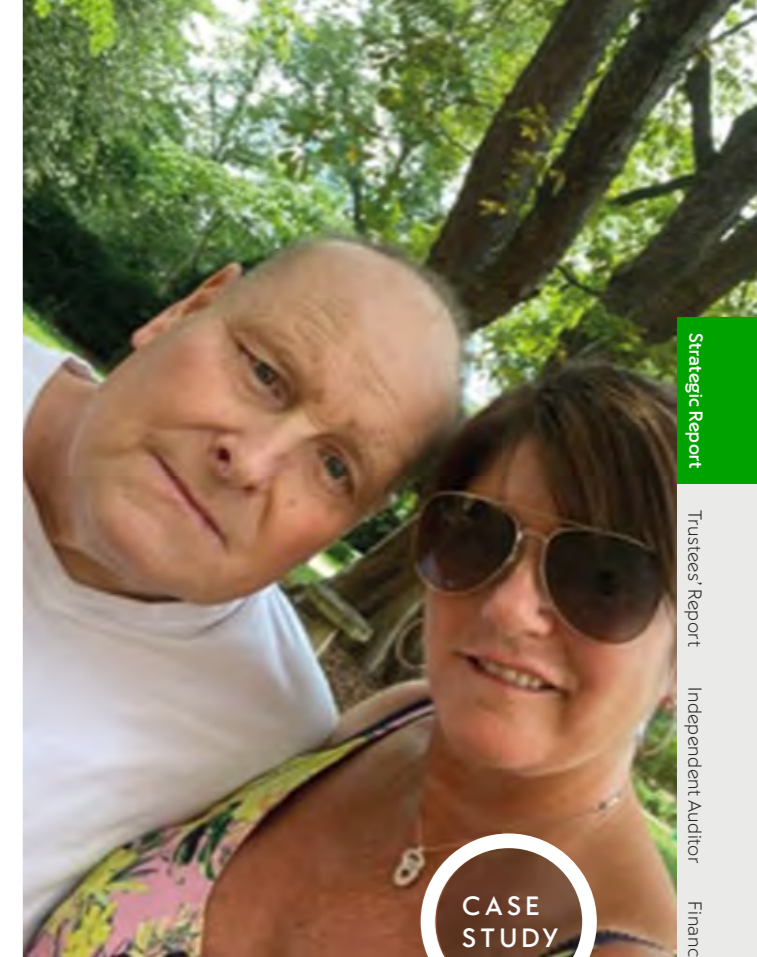
### Safety culture

We continually focus on improving our safety culture and have encouraged our people to report concerns, near misses, and incidents – however minor. It was no different in 2020, as we supported the NHS through the pandemic. The year understandably saw an increase in incidents, with deaths rising significantly in line with our NHS work, our varied activity profile and patient demographic during the pandemic. We maintained our clinical Quality standards, ensuring all deaths and adverse incidents were appropriately scrutinised, and learnings were used as a source of continuous improvement.

Never Events are defined by NHS England as ‘serious incidents that are wholly preventable because guidance or safety recommendations that provide strong systemic protective barriers are available at a national level, and should have been implemented by all healthcare providers’ (NHS Improvement, 2018).

Five Never Events were reported in 2020 (an increase of one, compared against 2019). Nuffield Health maintains a zero tolerance approach towards Never Events and strives for zero incidents. When they do occur, they are investigated by a senior clinical leader and critically reviewed by our Clinical Leadership Team and Quality Forum. Meticulous investigation and scrutiny enables us to identify root causes, deploy preventative actions, and ensure these incidents are used as a source of learning and continuous Quality improvement.

Nuffield Health is committed to encouraging an open safety culture, where all employees feel able to raise



CASE STUDY

## “They are all angels and I will say that forever.”

NHS patient Paul Aberdeen was told in March 2020 his leukaemia had returned and that his transplant would have to take place after the COVID-19 peak. With his local NHS hospital focusing on COVID-19 patients, Paul’s treatment and continuation of care was transferred to the Nuffield Health hospital in Cambridge. His stay lasted 64 days.

“They kept me secure, helped me progress, and made me fit enough for surgery,” said Paul. “I really don’t know what would have happened otherwise.”

The Nuffield Health and NHS Addenbrooke’s Hospital teams worked together under one roof, sharing knowledge and experience to keep patients like Paul well, and build their strength.

“I had dedicated NHS and Nuffield Health nurses, doctors and specialists, working together 24/7. It’s hard to explain how being shielded in this way brought such immediate peace of mind. I’ve been so humbled by the whole experience. It was a total team effort, for which I am truly thankful,” said Paul, adding: “They are all angels and I will say that forever.”

“Infection prevention and control is extremely important. Chris thoroughly deserves this award for her leadership in this area. I thank her for stepping up to lead this vital work.”

**Ruth May**  
Chief Nursing Officer for England, on awarding the Silver Chief Nursing Officers’ Award to Chris Finch, Nuffield Health’s Infection Prevention and Control Lead Nurse

issues or concerns, and suggest improvements. A variety of channels and escalation mechanisms are in place to support this, including a confidential, and independently managed, Safecall hotline; our grievance process; and escalations via our Freedom to Speak Up Guardian and management teams.

During the year, we produced ‘Speak Up’ guidance that centred on the management of concerns relating to the pandemic. This encouraged open dialogue and allowed us to manage COVID-specific issues in a timely manner,

helping keep patients and our people safe. Patient safety is paramount in all our clinical environments. In 2020, we commissioned an external ‘Subject Matter Expert’ review of our Speak Up infrastructure to allow us to validate the efficiency of our systems and processes. An improvement plan, focusing on system, process and cultural enhancement, will be implemented in 2021. It will include a network of Speak Up Ambassadors to help better enable a culture of openness and transparency.

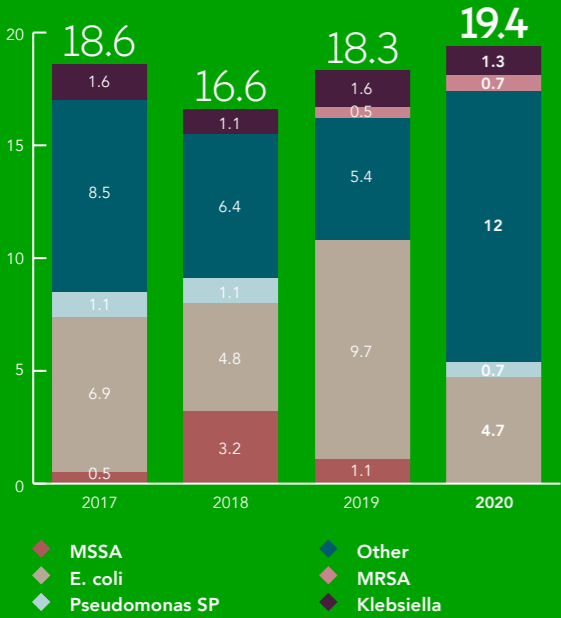
Avoidable infections

2020 saw an increase in the overall number of infections compared to 2019, from 18.3 to 19.4 per 100,000 bed days (see chart).

- For the first time in five years, no MSSA blood stream infections were recorded.
- One case of MRSA, where the patient was negative on admission, was recorded. Subsequent investigations demonstrated effective infection prevention with no cross-contamination identified during the patient’s hospital stay, with the theatre team all testing negative. Our investigation determined that the infection was likely to have been community-acquired, as there was post-operative socialisation with family members, some of whom were MRSA carriers.
- E. coli infections halved and all cases were related to immuno-compromised oncology patients, who are a higher risk cohort.
- Eight cases of Clostridioides difficile were identified. Six were classed as community-acquired, as there had been no previous hospital interventions. Two cases were attributed to the hospital, but unavoidable as they were triggered by use of pre-operative antibiotics prescribed in line with national guidance.

Bloodstream infections

Number of infections per 100,000 bed days



Quality Improvement Plan for 2021

1 Enhance our safety culture	<b>What we plan to do</b> <ul style="list-style-type: none"><li>◆ Sustain and monitor excellent standards of practice in operating theatres</li><li>◆ Refine our Speak Up systems and processes, deploying a new policy, best-practice training, and an ambassador framework that enhances current practice</li><li>◆ Develop a Nuffield Health electronic patient record, using a modular, phased approach towards implementation.</li></ul>
2 Be recognised for our commitment to professional development	<b>What we plan to do</b> <ul style="list-style-type: none"><li>◆ Deliver our Nightingale Programme to a cohort of future nursing leaders</li><li>◆ Launch our Theatre Manager Development Programme to a second cohort</li><li>◆ Launch our Registered Nurse Degree Apprenticeship to a pilot cohort of healthcare assistants. This accredited programme will enable them to train to become Registered Nurses, whilst working in clinical practice.</li></ul>
3 Develop specialist services in line with best practice	<b>What we plan to do</b> <ul style="list-style-type: none"><li>◆ Continue to deliver our clinical enhancement plan within cancer services, focusing on the effective utilisation of systems (iQemo), and maintaining best-practice in multi-disciplinary team clinical management</li><li>◆ Complete our standardisation of emergency care provision in primary care facilities. This includes the deployment of best practice algorithms and equipment, and the introduction of the Royal College of Physicians’ National Early Warning Score (NEWS) tool into all registered facilities.</li></ul>
4 Enhance our governance	<b>What we plan to do</b> <ul style="list-style-type: none"><li>◆ Resume policy development, ensuring that our policy library is up to date and fully aligned with current UK regulation and evidence-based practice</li><li>◆ Evaluate our governance infrastructure, seeking opportunities to improve ward-to-board reporting, clinical audit and adverse incident management.</li></ul>

International nurses

In the autumn we welcomed 60 nurses from the Philippines to help fill vacancies and reduce our reliance on temporary staffing. We’re delighted to add their knowledge and skills to our body of clinical expertise. Our Filipino nurses will not only help us to deliver high Quality care, they will add diversity and enrich the Charity.

All passed their Objective Structured Clinical Examinations (OSCE) and are now fully registered with the Nursing and Midwifery Council (NMC). Their overall pass rate was 15% higher than the 2020 national average. This is testament to the hard work of the nurses, and our Clinical Education team who provided quality support and guidance to the group.

We’re hugely impressed at their courage in coming to a different country in the middle of a pandemic, away from their families, and taking on new roles with such enthusiasm and skill. The nurses joined our teams on

the wards to support the NHS and the fight against COVID-19, as well as looking after our private patients.

In 2021 they will embark on our award-winning, newly designed, Preceptorship Programme to support their ongoing transition into the UK healthcare system and continue their development with Nuffield Health.

Looking ahead

COVID-19 will remain a threat into 2021 and beyond. It will be incumbent upon us to continue to be agile and able to change systems and processes at short notice. One thing that will not change is Nuffield Health’s commitment to providing Quality care across all our activities and we applaud our teams for their selfless compassion and dedication during this difficult year.

# Connected health



Our connected health model joins our network of sites together with our online digital services, ensuring our patients, members and customers receive personalised care, delivered in a convenient way that suits their lifestyle.

Our focus in 2019 was on improving our technology and managing our data, to allow us to connect more services in a seamless way. This work ensured we were in a good place to address the challenges of the COVID-19 pandemic. Despite the Government's restrictions, many of our services were able to continue as we rapidly turned to digital means of connecting with our patients, members and customers.

Connected healthcare that delivers an accessible and personalised health experience journey has never been more important as we move forward into the post-pandemic world. It will enable us to more effectively treat, and most importantly, prevent ill health.

## Delivering virtual services

To continue to offer personalised connected care, we launched a number of digital initiatives during 2020. As one of the UK's largest providers of physiotherapy services outside the NHS, COVID-19 required us to develop a new way of thinking, almost overnight. With our hospitals under the direction of the NHS, and our fitness and wellbeing centres closed, a plan was required to enable us to continue to deliver many of our services virtually.

2020 HIGHLIGHTS



10%

of our patients, members and customers use two or more of our services



150

workout videos on our 24/7 platform available for free



61,000

virtual emotional wellbeing sessions delivered



3m+

minutes of virtual physiotherapy consultations delivered



**Chris Blackwell-Frost**  
Chief Strategy Officer

“Connected healthcare that puts the patient’s needs first has never been more important as we move forward into the post-pandemic world.”

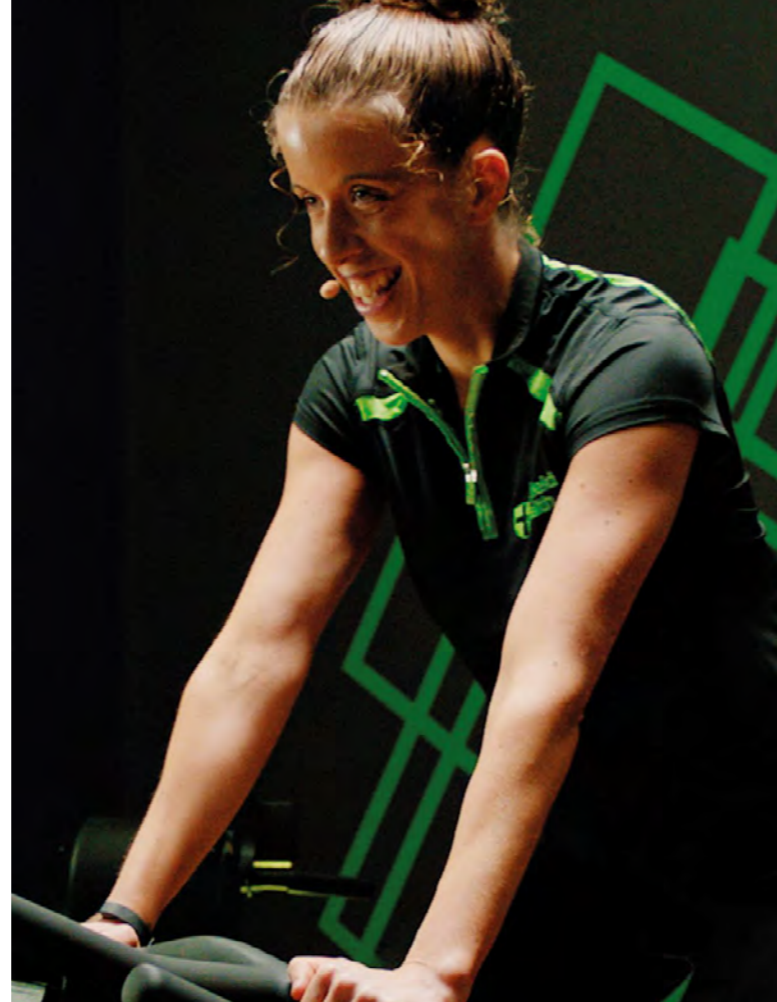
#### Physiotherapy

Face-to-face sessions are the usual form of administering physiotherapy, but Government rules meant these were out of the question for many patients who needed to heed the advice to ‘stay indoors’. The way forward was to develop a virtual platform for our patients.

Between April and December 2020, over three million minutes of virtual physiotherapy consultations were completed. Using an online platform, patients were able to discuss their injuries or disorders, and receive personalised advice, including visual examples of exercise routines. Exercises are prescribed as part of consultations with patients and, during 2020, over 5,500 were made available through our MyTherapy app.

Feedback was overwhelmingly positive, with one hip surgery patient saying “I can have face-to-face interaction during the pandemic, without any actual physical contact”. Another was impressed that the physiotherapist was able to watch her doing her exercises and correct her position, as well as give advice.

To support virtual delivery, the physiotherapy team launched Nuffield Health’s online rehabilitation shop, offering a range of health and wellbeing related products. An online information hub provided educational resources to patients, such as tips on how to prevent aches and pains while working, and managing muscle and joint pain.



## Reaching people in their homes 24/7

With gyms closed and the Government restrictions recommending working from home during the pandemic, there was concern that people’s lives would become sedentary. To counter this, we launched Nuffield Health 24/7, our digital fitness platform, giving free access to more than 150 workout videos. To date, the platform has received just under half a million views.

The Nuffield Health Studios were created at our fitness and wellbeing centre in Croydon, providing a safe, COVID-19 secure location to develop content during 2020 and into 2021. Our wide range of expert fitness and wellbeing specialists enabled us to produce a variety of content, including exercises for healthy spines, knees, hips, emotional wellbeing, and pre and post natal, as well as programmes for older members of the population to keep them on the move.



**456,300**

views of our digital fitness platform [nuffieldhealth.com/247](https://nuffieldhealth.com/247) which provided free access to 150 workout videos

#### Emotional wellbeing

Emotional wellbeing has become a major concern over recent years, never more so than during the COVID-19 pandemic. A survey carried out by Nuffield Health in 2020 revealed that people of all ages, from all walks of life, felt their mental health had been affected detrimentally through lockdown.

Following the introduction of the Government’s COVID-19 guidelines in March 2020, we successfully switched more than 4,000 patients from face to face to virtual therapy, via our MyTherapy app. Our trained specialists delivered more than 61,750 remote sessions between April and December 2020. In addition, we launched SilverCloud, a digital self-help platform, for our corporate clients, potentially reaching a collective population of 385,000 employees.

The impact of the pandemic will continue to affect people’s mental wellbeing for some years to come. Evidence points to the importance of exercise for maintaining both physical and mental health, and this is something that’s close to our hearts. Nuffield Health’s connected health model offers individuals personalised health and fitness plans through its range of specialists, which includes emotional wellbeing counsellors, personal trainers, and physiotherapists.

#### Connecting locations

Despite the obstacles of 2020, the renovation of the former pathology and residential staff quarters building at St Bartholomew’s Hospital made great progress.

This new hospital is critical to our connected health strategy for London, offering patients a complete pathway. It means a Nuffield Health GP could refer an individual for treatment at our new hospital, with the patient able to choose rehabilitation at any one of our 113 fitness and wellbeing centres across the UK, including 21 within London.

During the year, the hospital leadership team successfully recruited clinical and support teams, engaged consultants, and made sure everything is in place operationally for our planned opening at the end of

2021. Their efforts were even more extraordinary, as they were working remotely.

#### Using technology to connect

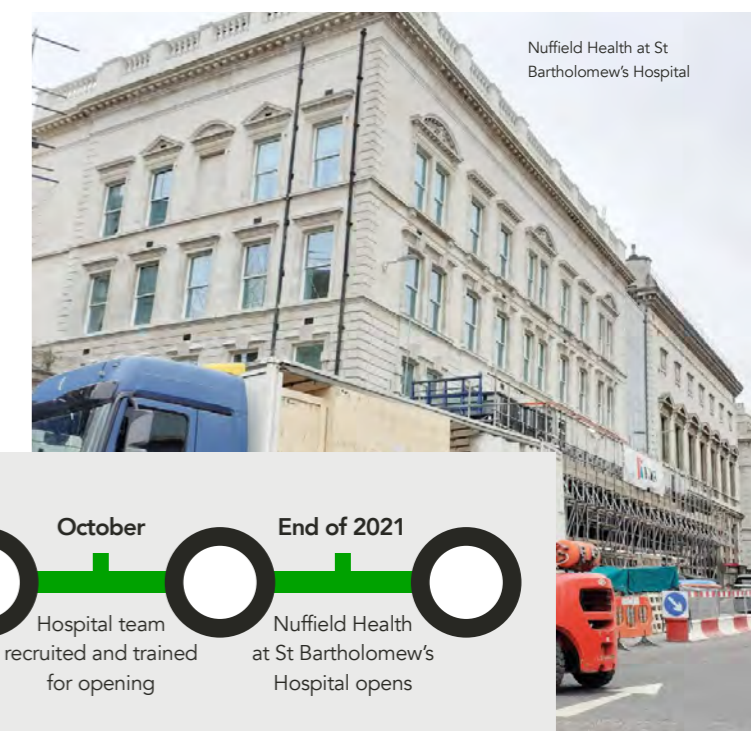
Our vision is to utilise technology to make our services more accessible, as well as improving quality and outcomes for our beneficiaries.

After a short pause during the pandemic, our Nuffield Health Electronic Patient Record (NEPR) programme continued the implementation of TrakCare EPR into all our hospitals, bringing to life our connected health proposition. Consultants and clinicians will be able to view all patient interactions with Nuffield Health, allowing them to take a holistic, personalised view of a patient’s treatment plan. Work in this area will continue through 2021.

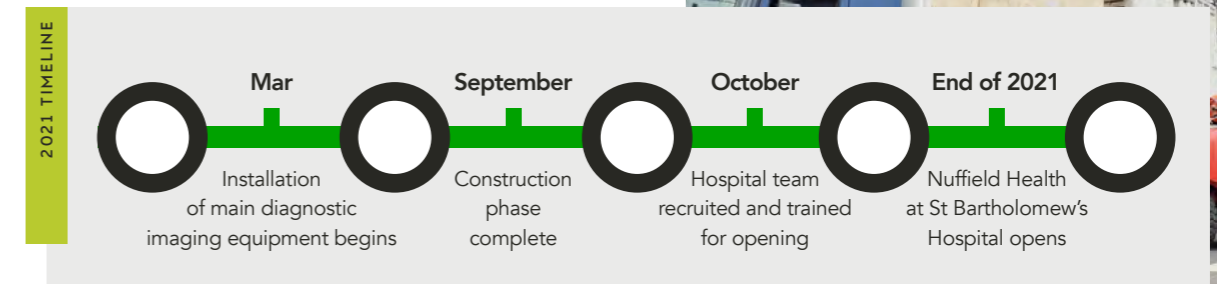
#### Looking ahead

Our Nuffield Health Electronic Patient Record programme is a critical driver in building a healthier nation. It will drive connectivity and deliver evidence-based, data driven quality and clinical outcomes for our beneficiaries. TrakCare EPR will be in action at our new St Barts hospital when it opens later in 2021.

Work in the area of EPR will continue in 2021. Our aim is to provide a fully deployed system across our hospital estate by the end of 2024.



Nuffield Health at St Bartholomew’s Hospital



# Brand leadership



Everything we do in Nuffield Health is driven by our purpose, to build a healthier nation. During 2020, the strength of our brand was demonstrated as we came together to join the national fight against COVID-19.

The early part of 2020 saw us achieve a 20% brand awareness rating\*, due in part to our successful TV advertising campaign. This was the first time in our history that we had achieved such a high figure and we were looking forward to building on this through the year.

However, in March, our focus moved to supporting the nation's fight against COVID-19. Throughout the pandemic we remained true to our purpose, to build a healthier nation. Despite the challenges, we didn't lose sight of our commitment to support unmet health needs, collaborate on research and innovation to improve health outcomes, and to ensure that our employees, members, customers and patients are always at the forefront of our minds.

During the year, we leveraged the strength of the Nuffield Health brand in a number of ways including lobbying for the reopening of the fitness sector; developing a benchmark for safe gym environments; launching our free COVID-19 Rehabilitation programme (see page 30); and contributing towards the drive to evolve the relationship between the NHS and the independent hospital sector.

\* Brand awareness is tracked through our monthly brand tracker which surveys a national representation of the UK adult population

## OUR PROMISES

PROMISE **1**  
You'll always feel at home.

PROMISE **2**  
We don't just listen, we act.

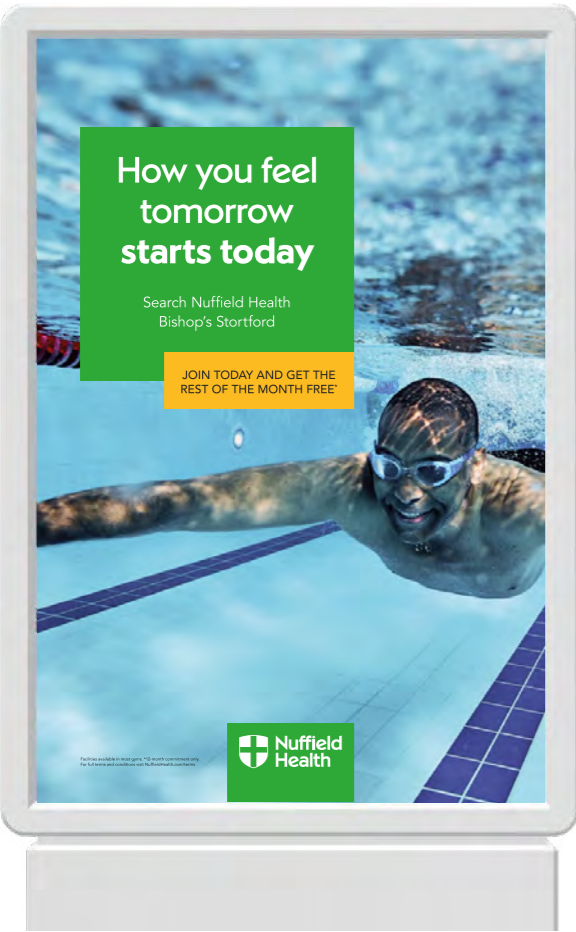
PROMISE **3**  
Our focus is always on you.

PROMISE **4**  
We'll always be open and honest with you.



Chris Blackwell-Frost  
Chief Strategy Officer

“We levered the strength of the Nuffield Health brand in a number of ways to support the nation’s health during the pandemic.”



In September 2020, we launched a TV and radio campaign – ‘How you feel tomorrow starts today’ – to encourage people to focus on their health and fitness. The campaign was a landmark for Nuffield Health. It was the first time our advertising has showcased our unique connected health offering, rather than focusing on a particular service, such as our hospitals, or fitness and wellbeing centres. The campaign, which proved successful in raising awareness of our multiple service lines, is supported by PR and marketing activity. It will continue through 2021.

To encourage members, new and existing, back to our fitness and wellbeing centres, we produced a video, fronted by champion hurdler Colin Jackson. Titled ‘Our gyms are safe and open’, the film was aired on our social media platforms. The aim was to demonstrate the importance of exercise in difficult times, and reassure people that their safety is our number one priority. We were, therefore, delighted with the positive feedback received from members when we reopened in July, with 89% of members surveyed saying they felt safe and confident that we took their safety seriously.

A member of our Crawley fitness and wellbeing centre told us: “We appreciate your employees’ hard work in ensuring the gym is a safe and clean place to train. I was even happy to encourage my 72-year-old mother to return, in the knowledge that it was safer for her than most places.”

Customer engagement

Our people are the face of Nuffield Health and the direct link to our patients, members and customers. During the pandemic, they ensured that everyone who came into contact with us felt safe and secure, and received high quality care and support.

Whatever their role, whether part of the cleaning, catering or support teams, or providing hands-on care, they were all dedicated to ensuring that Nuffield Health delivered a second to none experience, despite the challenges of COVID-19.

We’re always looking for new and innovate ways to improve the customer experience, and maintain our position as a leading healthcare brand.

89%

of our members felt safe and confident that we took their safety seriously when we reopened our fitness and wellbeing centres (based on 3,119 members surveyed)



Behind the scenes of our landmark advertising campaign

We track our performance using a range of measures:

- Customer satisfaction surveys, to gain insight into how people feel about the way we deliver services
- Net Promoter Score (NPS) helps us gauge the loyalty of our customers
- Patient Reported Experience Measures (PREM) give us a view of people’s experience across our hospitals.

If complaints are received, they are investigated openly and fairly, and we aim to provide clear and honest responses at every stage:

- Stage 1 complaints are handled by the site and are a full investigation of all concerns raised
- Stage 2 complaints are a review of the handling of the complaint at Stage 1
- Stage 3 complaints are an external review carried out by an adjudicator.

Although improving significantly from 2019 (50.3 days) the average handling time for Stage 1 complaints in 2020 was 22.5 days, which is just outside the policy timescale. To help reduce this further, we centralised the management of all complaints submitted via our web form to ensure consistency and provide greater oversight of complaints across all services.

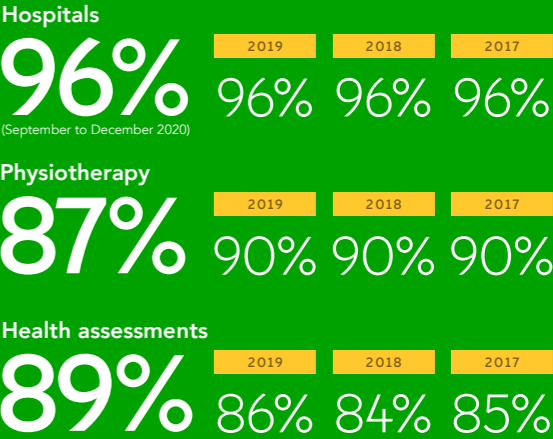
We’re pleased to report that the number of Stage 3 complaints has more than halved since 2018. 0.8% of complaints were escalated to Stage 3 in 2020, compared to 1.8% in 2018 (0.9% in 2019). To date in 2021, just one complaint has escalated to Stage 3.

Looking ahead

In 2021, our ‘How you feel tomorrow starts today’ campaign will continue, with greater emphasis on the broader story of the Nuffield Health brand, and our purpose to build a healthier nation. Our connected health model sets us apart from others and this is a message we will be promoting further during 2021.



Customer satisfaction 2020



We track customer satisfaction as a measure of customer loyalty to our brand and trust in our services. Customer satisfaction is calculated from the scaled response to the question of how satisfied customers are with our services.

# Financial sustainability



Despite very challenging trading conditions, due to decisive action, cost and cash mitigations, the Charity achieved a positive adjusted EBITDA position. There is a clear impact on the Charity's financial statements, however we have already shown strong signs of recovery in 2021.

The Charity made a strong start to 2020, with 15% growth in self pay revenues in the first two months of the year and a 5% increase in membership vs 2019. However subsequent financial performance declined significantly as the impact of the COVID-19 pandemic was felt across all the Charity's services and across the UK.

Turnover declined by £212.9million (21.4%) to £779.9 million as a result of the impacts of the pandemic, the Charity's support to the NHS and the temporary cessation of a number of the Charity's services aligned to the periods of national restrictions, that took place throughout 2020.

In light of this significant decline in turnover, the Charity took decisive and robust mitigating actions to significantly reduce operating expenditure and to access relevant government support and as such achieved an adjusted EBITDA\* of £14.0 million, a decline of £85.5 million (-85.9%) on the same period of 2019 and a net deficit after tax of £92.4 million (2019 – £15.0 million).

## Hospitals

From 28 March 2020 private elective surgery was largely

“We have seen an unprecedented level of demand for the Charity's hospital services, and the reopening of the consumer estate is showing encouraging membership recovery.”

Jenny Dillon  
Chief Financial Officer



suspended and the full capacity of the Charity was made available to the NHS. However, in the second half of the year, the Charity was able to perform elective procedures and variations to the initial contract with the NHS secured capacity for private procedures, subject to NHS requirements.

The Charity received relevant cash cost recovery for its services from the NHS from 28 March to 31 December 2020, including operating costs, overheads, use of assets, rent and interest, less a rebate for any private elective care provided.

Revenue from hospital services was £557.2 million in 2020, representing a £64.6 million decline against 2019.

Wellbeing

Following a strong Q1 of 2020, the national lockdown resulted in closures of all wellbeing sites from March to early July and various further closures later in the year due to tiered lockdowns in England, Scotland and Wales. Wellbeing services generated £172.9 million revenue, a decline of £194.8 million against 2019.

Consumer fitness

During the first two months of the year, turnover improved by 4.1% against 2019 as the fitness and wellbeing centres continued to grow membership. During closure of our facilities, membership revenues ceased, resulting in a full year revenue of £128.2 million, a decline of 55.9% against 2019. Membership reduced by 31% to 249,000 at the end of the year.

Corporate fitness

Due to closures of corporate fitness facilities, revenue declined by £17.8 million (53.9%) and a number of smaller corporate fitness facilities closed permanently during the year.

Clinical services

Clinical services outperformed the previous year’s revenue in the first two months of 2020. However, the impact of the pandemic resulted in a full year revenue decline of 30.1% to £27 million. An outlier of performance despite the pandemic was our emotional wellbeing services, in which performance improved year on year.

Operating deficit

Operating deficit before exceptional items was £64.6 million, an £80.5 million decrease on 2019, reflecting the impact of the COVID-19 pandemic. This decrease was mitigated by significant cost mitigations, including the deferral of a pay rise for our people, enacting part time working over the summer, focusing on essential operating expenditure only and through government support including the government’s Job Loss Retention

Scheme, which mitigated the deficit by £45 million. The continuous review of costs as we return to normal trading activities and the introduction of further efficiencies, remains our focus to drive the recovery of the Charity.

Exceptional costs

Exceptional costs were £9.5 million (2019 – £13.8 million). Key elements were:

- net reversal of prior period impairment of fixed assets of +£7.4 million (2019 – impairment charge of £14.2 million)
- reorganisation and transformation activities of £2.7 million (2019 – £6.1 million)
- onerous lease provision increase for consumer sites £14.1m (2019 – reversal of £4.3 million).

Interest

Interest charges of £18.3 million (2019 – £17.1 million) were higher than the previous year due to increased cost in relation to loan facilities and finance lease charges.

Net deficit and reserves

The results contributed to a net deficit after tax of £92.4 million (2019 – £15.0 million deficit). The annual actuarial valuation of the pension scheme gave rise to an actuarial loss of £22.6 million (2019 – £10.7 million loss), resulting in net liabilities of £76.5 million (2019 – net assets of £38.5 million). Net debt increased by £32.7 million to £403.1 million evidencing strong cash management relative to the operating deficit increase.

Total restricted funds of £0.8 million and permanent endowments of £0.1 million are included in the Charity reserves.

The Trustees scrutinise the financial sustainability of the Charity through regular reviews of cash forecasts and budgets, and do not set a reserve target. The Charity aims to use the majority of surplus cash to invest in operational assets and infrastructure that improve the quality of, or increase, the Charity’s activities for public benefit. It is, therefore, expected that free reserves will not be created at this stage.

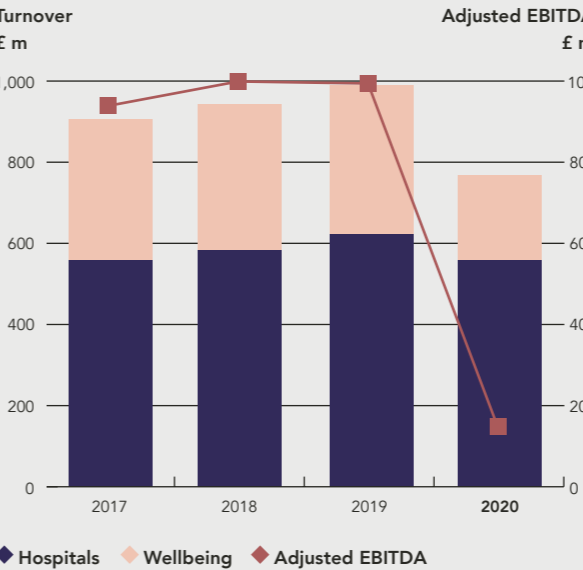
Continued investment

Nuffield Health uses funds generated from trading, supplemented by borrowings, to maintain and improve its offering to its patients, members and customers, aligned to its charitable purpose to build a healthier nation. During 2020, measures were put in place to conserve cash by focusing on critical maintenance and essential health and safety capital

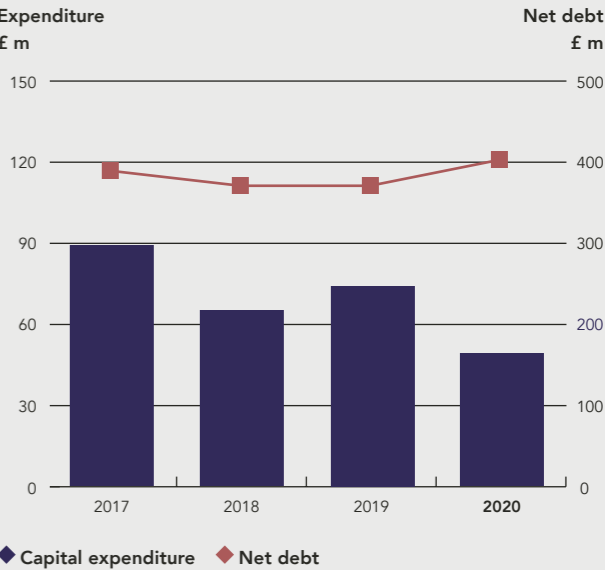
Key financial indicators



Turnover and adjusted EBITDA 2017-2020



Capital expenditure and net debt 2017-2020





“There is a clear impact on the Charity’s financial statements; however we have already shown strong signs of recovery in 2021.”

spend only. Other initiatives and programmes were paused. Capital Investment was £48.7 million (2019 – £73.6 million).

### Assuring long-term sustainability

The Charity has made a good start to its recovery from the pandemic in the first quarter of 2021. Our hospitals were contracted to the NHS under a new agreement in the first quarter of 2021 and activity for private patients has now increased substantially.

Our fitness and wellbeing centres have re-opened after government restrictions were lifted and our membership is returning. Now we are fully open, we are no longer accessing the government Job Loss Retention Scheme. The Charity continues to challenge itself to drive efficiencies in operating costs to ensure long-term sustainability.

We are monitoring the COVID-19 situation carefully and are guided by advice from Public Health England. Our priority is to ensure the health and safety of our patients, our members and our people. Steps were taken during 2020 to provide a safe environment for when sites reopened and normal activities recommenced. The outcome of the UK vaccination programme is positive and the Directors are confident that the Charity will have sufficient cash and continue to meet the covenant restrictions in place, even in the event of further closures of the fitness and wellbeing estate.

### Going concern

At the point of approval of the 2019 financial statements, a material uncertainty existed around the assumptions used for the Going Concern assessment. This material uncertainty was based upon the impact of ongoing government enforced closures, which did materialise. However, despite these extended closures, net debt reached the highest value of £429 million in early 2021 and is currently trending close to £400 million. Management does not believe there is a continued material uncertainty.

The financial performance of the Charity in the first six months of 2021 is significantly ahead of expectation

mainly driven by healthcare being at the top of everyone’s agenda. We have seen an unprecedented level of self-pay demand for the Charity’s healthcare services, and the reopening of the consumer estate is showing encouraging membership recovery. The forecast projections model recovery of our fitness and wellbeing centres to pre-Covid levels of activity in 2022 and continued higher rates of activity in our hospitals due to the backlog of activity from the impact of the pandemic. These financial projections for the foreseeable future indicate that Nuffield Health will continue to operate well within banking covenants, with the highest net debt projected at £440 million in December 2021 well within the maximum facility available of £487.5 million. The bank debt facilities expire in October 2022, which is outside the 12 month assessment period.

The impact of further potential disruption, including an autumnal lockdown has also been considered. This has been modelled as a full closure of our fitness and wellbeing facilities for one month, and the associated cessation of revenues as experienced in 2020, alongside mitigations that the Charity would enact in such circumstances. In this scenario, the impact to net debt is minimal and there continues to be sufficient liquidity and positive headroom on all financial covenants, including EBITDA, to absorb this downside.

The Charity’s financial statements disclose a net liabilities position at the end of 2020 however this position is not reflective of the market valuation of the hospital freehold assets, which are held at historic cost on the Balance sheet. This net liability position is therefore not reflective of any solvency issue.

The Directors believe the Charity will have adequate resources to continue in operational existence for the foreseeable future and funding is in place for more than 12 months from the approval of the financial statements. Therefore, in accordance with section 3.8 of FRS 102, the annual report and financial statements for 2020 will be prepared on a going concern basis. They have made this assessment using guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks 2016 and updated guidance for companies on corporate governance and reporting (4 December 2020), published by the UK Financial Reporting Council (FRC).

# We engage and listen

Each of our stakeholder groups plays a crucial role in building and sustaining the Charity. We engage with them regularly, and listen to their views because we know this will ensure our ongoing success.



## Our people



## Customers



## Healthcare partners



## Communities



## Suppliers and partners



## Government



### Why we engage

Without our 16,000 employees, we wouldn't be able to deliver our purpose, to build a healthier nation. It's our people who bring this, and our values, to life every day. We listen to their views and learn how we can stay relevant in a changing world. Our aim is to be an inspiring, inclusive and rewarding place to work.

### How we engage

- ◆ Bi-weekly pulse surveys
- ◆ Quarterly 'in the Loop' employee e-zine
- ◆ Extranet and Yammer internal newsfeed
- ◆ Healthy work hubs
- ◆ Monthly business briefings
- ◆ CEO video blogs
- ◆ Board member visits to sites
- ◆ WeCARE Values recognition scheme
- ◆ Annual leaders and matrons' conference.

### Outcomes of engagement

- ◆ Learning resources were created to support teams, including five redeployment programmes, 24 e-learning modules, eight virtual classrooms and five clinical toolkits
- ◆ Introduced an Equity Forum comprising representatives from across the Charity
- ◆ Responded to emerging needs and provided support through our dedicated Healthy Work hub.

### Why we engage

Customers are the lifeblood of our charity. Our efforts are focused on providing them with the best possible quality care and services. We listen to what they have to say about whether or not we live up to expectations. It's in this way that we will develop sustainably, and grow our Charity for the future.

### How we engage

- ◆ Face to face
- ◆ TV and radio advertising
- ◆ Social media channels and our website
- ◆ Customer satisfaction surveys
- ◆ Online market research
- ◆ Patient forums to elicit honest feedback
- ◆ Daily through our contact centre
- ◆ Regular Board, executive and senior leadership visits to our sites, as part of our ongoing 'think like a customer' initiative.

### Outcomes of engagement

- ◆ We reached more customers through our social media channels
- ◆ Developed digital solutions for many of our services, including physiotherapy and emotional wellbeing
- ◆ Provided free online workouts through our digital platform 24/7
- ◆ 89% of members surveyed felt safe to return to our gyms when they reopened.

### Why we engage

Our hospitals deliver healthcare services for a range of different patient types, including private medical insurance (PMI) referrals and self-funders. We also work with the NHS – never more so than during the pandemic. Our consultants are at the top of their field and deliver the best outcomes to patients.

### How we engage

- ◆ Hospital directors engage directly with local NHS Trusts
- ◆ Relationships are maintained with other key NHS stakeholders at all levels, through our GP Liaison Officers and the Royal College of GPs
- ◆ Regular meetings with private medical insurers to ensure our holistic approach to healthcare is resulting in quality outcomes for their customers
- ◆ Regular local and national level communications with consultants, including surveys and newsletters.

### Outcomes of engagement

- ◆ Our strong relationship with NHS Trusts was evident during 2020, when the pandemic saw us come under the direction of the NHS
- ◆ Worked together in an unprecedented way, recording in excess of 242,000 NHS patient attendances.

### Why we engage

To increase accessibility to our services to those living with lower resources, and to people of all ethnicities, genders and disabilities. Work provides income and boosts mental wellbeing. We offer rewarding job opportunities across our sites. Our aim is to build trust in our brand by operating responsibly and sustainably.

### How we engage

- ◆ Opportunities to 'earn and learn' through our apprenticeship programmes
- ◆ Free of charge or subsidised cost flagship programmes
- ◆ Delivering our free Schools Wellbeing Activity Programme to children in over 300 schools
- ◆ Relationships with other community charities, such as the Alzheimer's Association
- ◆ Supporting community events and local initiatives.

### Outcomes of engagement

- ◆ Increased the number of apprenticeship programmes so more people of various ages are employed on the scheme
- ◆ Developed a unique flagship, focusing on the rehabilitation of people suffering from long-COVID, which will benefit local communities.

### Why we engage

Strong collaborative relationships are essential to maintaining a healthy supply chain, and minimising environmental impact of products and services. We partner with educational institutions on major research and data programmes, to identify new evidence-based approaches to healthcare.

### How we engage

- ◆ Regular meetings with suppliers and partners
- ◆ Supplier Code of Conduct to ensure consistency of values
- ◆ Bi-annual supplier reviews to ensure we're meeting objectives
- ◆ Research and innovation working group to develop future care pathways, such as our MMU partnership.

### Outcomes of engagement

- ◆ An in-depth understanding of our suppliers' markets
- ◆ Assurance that suppliers are doing all they can to make a positive impact on society and the environment
- ◆ Development of innovative research within the healthcare market
- ◆ Strengthened the case for evidence-based healthcare.

### Why we engage

Our purpose is to build a healthier nation. Therefore, it's important that we share best practice and influence Government priorities, policies and regulatory changes across the healthcare market. Prevention is core to our services, aligned with the Government's agenda. We engage at all levels to help shape the future of healthcare.

### How we engage

- ◆ Through industry bodies, including IHPN, UK Active, SAGE and RCGP
- ◆ Advise on key developments relating to the nation's health and wellbeing
- ◆ Provide insights and evidence for Government papers relating to health and wellbeing
- ◆ Consultations and round-tables
- ◆ Freely share research findings and best practice.

### Outcomes of engagement

- ◆ Engaged with MPs, mayors and councillors, emphasising that fitness and wellbeing services are essential
- ◆ Contributed towards setting the benchmark for the reopening of gyms, when experts from SAGE visited our London City fitness and wellbeing centre.

# Working with our stakeholders

Section 172 of the Companies Act 2006 requires Trustees to act in a way that they consider promotes the success of the Charity for the benefit of stakeholders as a whole.



Our Plymouth hospital team working together with their local NHS colleagues

Companies are required to include a statement in their strategic report of how directors have complied with their duty to have regard to the matters in section 172 (a) – (f) of the Companies Act 2006 (‘the Act’). As per the Charities SORP Information Sheet 3: The Companies (Miscellaneous Reporting) Regulations 2018 and UK Company Charities, the duty of the Trustees of a charitable company under this subsection of the Act is to act in a way he or she considers, in good faith, would be most likely to achieve its charitable purpose and in doing so have regard (among other matters) to:

- (a) the likely consequences of any decision in the long term
- (b) the interests of the company’s employees
- (c) the need to foster the company’s business relationships with suppliers, customers and others
- (d) the impact of the company’s operations on the community and the environment
- (e) the desirability of the company maintaining a reputation for high standards of business conduct
- (f) the need to act fairly between members of the company.

We listen and engage effectively with our wide variety of stakeholders on whom the future success of Nuffield Health depends, including employees, members, patients and suppliers, to ensure responsible decisions are sustainable in the long term and do not disproportionately affect any single stakeholder group.

Our ‘healthy work, healthy communities and healthy environment’ strategy sets out the positive actions we’re taking towards developing a more sustainable future. We’re continuously considering our impact and looking to drive positive change in the workplace, local communities and the environment, while encouraging our people to factor sustainability into everything they do (see pages 63 – 75).

The table (right) sets out examples of decisions taken by the Board and how stakeholder views and feedback, as well as other section 172 considerations, which were considered in its decision making during 2020.

“All decisions are made in the interests of the Charity’s stakeholders, in line with our values.”



Connected • Aspirational • Responsive • Ethical

Significant decision

Making hospitals available to the NHS, including taking end of life patients at our Woking hospital which hadn’t experienced a death in 13 years

S172 matter affected

- ◆ Healthcare partners
- ◆ Our people
- ◆ Customers (patients)

Action and impact of the decision

When our hospitals were asked to support the NHS during the pandemic, the Board carefully considered the impact on our people, patients and the NHS, before making the decision. And the resource needed to ensure our infrastructure met the needs of the NHS patients. In some areas, NHS Trusts transferred their whole service provision, such as cancer care, into our hospitals.

We provided a safe clinical environment for NHS patient overflow, and took end of life patients, which necessitated palliative care. This was all a huge logistical challenge, which in normal times would have required months of meticulous planning.

The Board considered the emotional impact on our people. Our Woking hospital had not experienced a patient death in 13 years but was called upon by the NHS to take end of life patients. It was a huge decision, which would have a significant impact on the team. After careful consideration they agreed as they wanted to support the NHS and patients in whatever way they could (see case study on page 39).

The Board was briefed on steps taken to support our people, as they undertook roles in less familiar environments and developed expertise and knowledge in new areas.

242,000 NHS patient attendances benefited from care and treatment provided by our 31 hospitals.

Significant decision

Moving services online, such as physiotherapy and emotion wellbeing, in order to continue offering them under COVID-19 restrictions

S172 matter affected

- ◆ Customers
- ◆ Our people

Action and impact of the decision

Recommendations were made by the Executive Team following engagement with the Operating Board and feedback from customers, to transition our physiotherapy and emotional wellbeing services from face to face delivery to online delivery.

The Board considered the immediate benefits to our customers and impact to our people, alongside the longer-term efficiencies and improvements the project would bring to the Charity and our beneficiaries.

Although training, equipment and new ways of working had to be rapidly implemented, the Board felt the positive impact on our customers outweighed any negatives arising from these changes.

3 million+ minutes of virtual physiotherapy consultations and 61,000 emotional wellbeing therapy sessions took place in 2020 (see pages 44 - 47) enabling us to continue to provide much needed healthcare services during the pandemic.

Significant decision

Upskilling furloughed employees, and redeploying them to where help was needed, including the NHS

S172 matter affected

- ◆ Our people
- ◆ Healthcare partners
- ◆ Customers

Action and impact of the decision

The Charity carried out extensive engagement with our people to understand their views and concerns regarding redeployment. As well as enabling staff to come off furlough to undertake these roles, it also enabled them to acquire new skills that could benefit them in the longer term (see Edyta’s story on page 16 and Ray’s story on page 21).

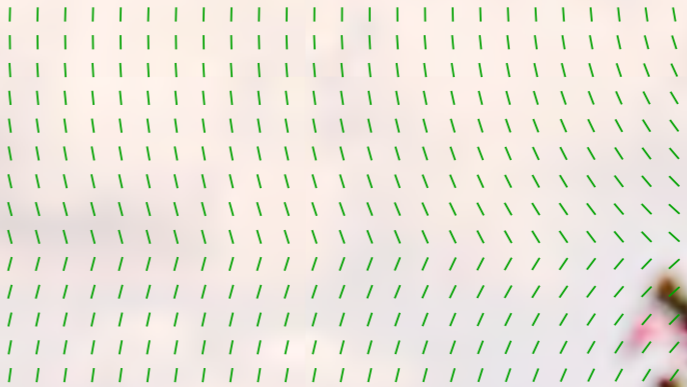
Following a review of the feedback, the Board approved a framework to ensure safe redeployment of our people, including training materials and line manager support.

Around 1,000 of our people volunteered to be redeployed into the NHS.

Working together with the NHS England (NHSE) a Memorandum of Undertaking was developed, which was subsequently adopted by NHSE regionally

# Building a sustainable future

For a leading healthcare charity, committed to building a healthier nation, sustainability has to be top of the agenda. It's an integral part of our strategic planning process and will create long-term value for Nuffield Health, and have a positive impact on society.



“Our aim is to ensure sustainable practices are embedded across the Charity. By working together, we will be a force for change.”

Despite the challenges of 2020, our teams continued to make great progress across our three sustainability pillars – driving positive change in the workplace; ensuring accessibility, engagement and opportunities in the community; and protecting the environment.

Our Central Sustainability Forum, created in 2019, includes people from across the Charity. It meets regularly to update, share ideas, and agree targets to help us meet our goals. We know that, to truly make a difference, every individual needs to be part of the change, so in 2021 we'll be inviting more representatives from our 200-plus sites to join the Forum.

We continue to align our strategies with the United Nations' Sustainable Development Goals (SDGs) most relevant to our Charity, recognising that they aim to achieve a better and more sustainable future for us all. In striving to end poverty, fight inequality, and stop climate change, the SDGs fit with our purpose and our values.

Our aim is to ensure sustainable practices are embedded across the Charity. By working together and evolving our ways of thinking, we will be a force for change. As the world emerges from the pandemic, 2021 provides us with an opportunity to build a more sustainable future. Now is the time to push ourselves further, with our new commitments, so we can help everyone build a healthier future together.

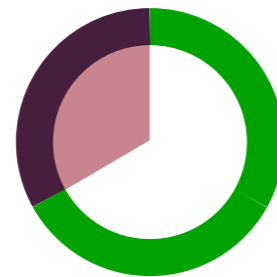


**Dr Davina Deniszczyc**  
Charity and Medical Director

# Our sustainability framework



Our 'healthy work, healthy communities and healthy environment' strategy sets out the positive actions we're taking towards developing a more sustainable future. We're looking to drive positive change in the workplace, local communities, and the environment, while encouraging our people to factor sustainability into everything they do.



## Healthy work

We aim to provide a stimulating, inclusive and healthy working environment within which our 16,000 people can thrive and achieve their career goals and aspirations.  
**Read more on pages 66-69**



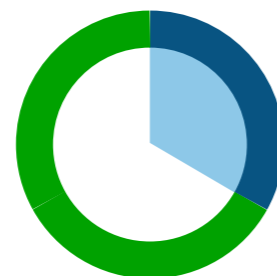
**Health & wellbeing**  
We aim to provide a stimulating, healthy, inclusive and caring working environment for all our people.



**Diversity & inclusion**  
As inclusive employers, we embrace all ethnicities, genders and disabilities, and listen to and welcome all views.



**Education & professional development**  
We provide quality training and education to all our people, in every area of the Charity.



## Healthy communities

We engage with the communities in which we operate and stay relevant to their specific needs, ensuring accessibility to services, and providing meaningful work opportunities.  
**Read more on pages 70-71**



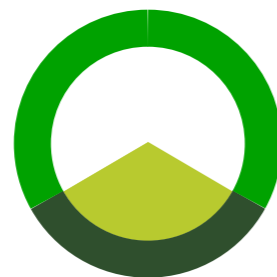
**Research, flagships & education**  
We address unmet health needs, undertake research to improve health outcomes and provide education to communities.



**Accessibility & inclusion**  
We will increase accessibility to those people who can't normally access or afford our services, and aim to create an inclusive environment.



**Social mobility**  
In accordance with the Social Mobility Pledge, we offer structured work experience and apprenticeships for local people.



## Healthy environment

We continually look for ways to reduce our impact on the environment in all areas of the Charity, including delivering sustainable healthcare and being environmentally aware.  
**Read more on pages 72-75**



**Carbon footprint**  
We seek to reduce our emissions across the Charity, contributing to a cleaner, healthier environment.



**Recycling & waste**  
We are committed to reducing levels of waste and improving recycling, right across the Charity.



**Sustainable healthcare**  
We aim to minimise wastage and protect precious resources with a focus on creating a healthy supply chain.



# Healthy work

Work provides a structure to people's lives and is instrumental in building confidence, self-esteem and financial security. We aim to provide a stimulating and healthy working environment within which our 16,000 people can thrive and achieve their life goals.

## Aligned to SDGs:



## Health and wellbeing

Supporting our people was a priority throughout the pandemic, whether they were working, or had been furloughed. A Hardship Fund was made available for people in exceptional financial difficulty to help cover their living expenses.

Work undertaken in 2019 to promote an open and supportive culture around mental health issues stood us in good stead as we all tried to make sense of the pandemic.

Regular communications encouraged our people to take time to look after their own health and wellbeing. To help them do this, our Healthy Work hub provided a wealth of information in the areas of emotional, financial, physical and social wellbeing. Our aim was to equip people to respond to the challenges of the pandemic at work and at home.

With COVID-19 impacting people's health and wellbeing in so many ways, 180 Emotional Wellbeing Champions (EWCs) were trained across the Charity to provide a point of contact for anyone struggling to cope or undergoing emotional distress. The EWCs are able to recognise signs and symptoms of mental ill health, and know how to refer colleagues for additional support.

Specific emotional support was made available to our clinical teams who were experiencing unprecedented challenges on the front line, supporting the NHS in the fight against the virus. The leadership team was encouraged to provide help and support to anyone exhibiting signs of distress.



## Diversity and inclusion

Nuffield Health is an inclusive employer and we pride ourselves on encouraging a culture that allows all our people to thrive and be part of, and contribute to, our ongoing success regardless of gender, ethnicity, disability and lifestyle.

In July 2020, we created the Equity Forum, comprising around 100 people from across the Charity. The aim is to show people they matter to us as individuals, not just because of their skills but because of their opinions, ideas and diverse life experiences. We want to identify and eliminate barriers that prevent some groups from participating fully in the workplace.

Since its inception, the Equity Forum has drawn our attention to some of the inequalities experienced by minority employees, and has created valuable discussion points, which we will be following up in 2021.

Personal profile fields on our HR system, Workday, were expanded to include optional questions to give us a clearer picture of the diversity of our workforce. 42% of our people completed the new data fields and we will be focusing on this in 2021 in order to increase this figure.

We're committed to making Nuffield Health an environment in which people with disabilities can enjoy fulfilling careers, and our recruitment policies do not discriminate in this respect. In the event of an employee becoming disabled, every effort is made to ensure that their employment continues, and their training and development is unaffected.



## Education and personal development

The pandemic placed enormous pressure on our teams to ensure that appropriate resources were available in the right place, at the right time. Clinical and support staff were being redeployed from various departments to assist with the delivery of care, and nurses were working in less familiar environments and needed to develop expertise and knowledge of new areas.



## CASE STUDY

### "Disabled people want to be independent."

As a wheelchair user, Ross Morrison doesn't fit the usual stereotype of a personal trainer (PT). But he's a Level 3 PT at Nuffield Health's fitness and wellbeing centre in Cheam, where he's worked for over four years.

Ross broke his neck playing rugby aged 16. Instead of retreating from life, he went on to play international rugby for 15 years, representing Great Britain at the Athens, Beijing and London Paralympic Games.

In 2016, after retiring from competitive sport, he needed to think about what he wanted to do next. InstructAbility trains people with disabilities to secure employment in the fitness and leisure sector. They introduced Ross to Nuffield Health, where he did his Level 3 PT training at our Head Office in Epsom and, after a 12-week placement in Cheam, he was offered a full-time role.

Four years on, he still feels a thrill when a client reaches their goal. "Exercise has a positive impact on people's lives," he says, recalling a female client who was due to have a hip operation. "Her surgeon told her to lose weight before surgery. I helped her change her body position and do exercises to build strength. Two months later, the operation was cancelled – she didn't need it."

As an active member of Nuffield Health's Equity Committee, he says a lot of great work is going on to improve behaviour, attitude and mindset. But there's one thing he would like the health and fitness sector to tackle on a wider level, and that's access. "Disabled people want to be independent. If they can't easily get into a building, or access the facilities, it's a barrier to stop them exercising," says Ross.



“Nuffield Health values the importance of investing in our people and developing talent.”

Jay Morris, Clinical Educator & Learning and Development Specialist

Our Learning and Development (L&D) teams sprang into action, designing new programmes to support each role, taking into account the circumstances of 2020. This provided individuals with the reassurance and skills they needed to make the transition into new or expanded roles as stress-free as possible. The programmes were delivered through a number of bespoke virtual classrooms, supported by a range of learning resources.

At a time when recruitment into clinical roles is a challenge, the L&D team worked together to implement a number of clinical apprenticeship pathways including healthcare assistants, trainee nursing associates, and assistant practitioners. They also oversaw an international recruitment campaign for nurses.

Our Nuffield Health Preceptorship Programme (NHPP) continued to support our newly qualified nurses as they

transitioned from student to confident clinician during this most challenging year. The nine-month programme prepares them for professional success, facilitating knowledge and skills acquisition, clinical confidence and the delivery of high quality care. We were delighted that the excellence of the NHPP was recognised by the Nursing Times, which awarded it ‘Preceptorship Programme of the Year’.

During 2020, the number of employees on our growing range of apprenticeship programmes reached 300 – an increase of 115 over 2019, which was particularly impressive bearing in mind the pressures placed upon us by the pandemic, and we are delighted to report we achieved our target to reach 400 employees by April 2021. We’re looking to expand our range of apprenticeship programmes to 45, from 30 in 2020.

## Our Education programmes supported our people through the challenges of 2020

Q&A with Head of Clinical Governance and Professional Education, Ben Davies

### What are your key reflections on 2020?

2020 showcased the commitment of our people, as services were mobilised in response to the evolving needs of the NHS. People were redeployed, including clinical teams between departments and specialty, and fitness and support employees into hospital support roles. Our educational team worked tirelessly to ensure all staff were prepared for their redeployment roles.

### What did you do differently?

Learning resources were created to support nursing staff, including five redeployment programmes, 24 e-learning modules, eight virtual classrooms and five clinical toolkits and deployed in a matter of weeks. Staff completed COVID-19 evidence-based training modules, with information on how to protect patients and themselves.

### What did people think of the virtual classroom?

We thought there might be some resistance, as it's not something we would normally do for the clinical team. But take-up was 100% and additional sessions were scheduled due to demand.

### What are you most proud of in 2020?

Recognition by the Nursing Times of our long-standing Preceptorship Programme. It's a fantastic achievement, acknowledging our commitment to professional development and educational excellence.

### Thoughts for the future?

I wouldn't want a repeat of 2020, although I'm immensely proud of our response to the pandemic and our teams are ready to support any emerging needs in 2021. The impact of COVID-19 will be long lasting, but I think it will result in a change in mindset, and facilitate new and innovative ways of working – and that's not a bad thing.



**Ben Davies**  
Head of Clinical Governance  
and Professional Education



## Welcoming 60 new nurses to the Nuffield Health team

During 2020, we welcomed 60 nurses from the Philippines to help us address the critical shortage in nursing across the UK.

Chai Jimenez travelled from Taguig and, after completing her training, she took up a post on the wards at our Derby hospital where she says she received more support from her colleagues than she could have ever imagined. “I feel I will be able to grow here, both professionally and as an individual,” she says.

In 2021, all 60 nurses will embark on our award-winning, newly designed Preceptorship Programme to support their ongoing transition into the UK healthcare system and the Nuffield Health team.



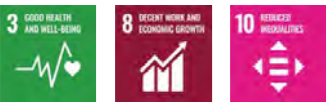
60

nurses were welcomed from the Philippines to help with the critical shortage in UK nursing

# Healthy communities

To play a meaningful role in the life of the communities in which we operate, it's important that we're accessible and inclusive. We do this by meeting unmet health needs through our unique flagship programmes; providing fulfilling job opportunities; and involving ourselves in local life.

Aligned to SDGs:



### Research, flagships & education

We're committed to ensuring that our research makes a lasting contribution to the community. This commitment will be championed through our Healthy Community hub at the Manchester Institute of Health and Performance (see page 34). Collaboration between community groups and researchers will result in improved knowledge and understanding about practical community issues, and will bring about change. This may be in the form of a new programme, the delivery of a new service or through education.

We believe prevention and awareness are just as important as cure, so sharing our expertise to help educate communities is key for us. We do this through free events, such as 'Meet our Experts', which cover a range of health and wellbeing topics and are open to all. We also provide free information and advice on our online hubs, such as Kids' Wellbeing.

Our unique flagship programmes are free or subsidised services, which address unmet health and wellbeing needs in the community, and extend our reach to people living on lower resources who wouldn't normally be able to access our services. From joint pain and cystic fibrosis, to our Schools Wellbeing Activity Programme, we provide support through blended physical and mental wellbeing programmes.

In 2019 alone, more than 17,500 people benefited from our flagship services, and we had planned to expand our accessibility during 2020. It was, therefore, a great disappointment when we had to pause the programmes, due to the COVID-19 pandemic.

In line with our purpose, to build a healthier nation, we turned our attention to the greatest unmet health need facing the country, that of long-COVID. We recognised that symptoms of the virus remain with a significant number of sufferers for many months, often exacerbating underlying health needs. Our COVID-19 Rehabilitation programme was developed to address long-COVID and is now available at 40 of our fitness and wellbeing centres (see page 31).

### Accessibility and inclusion

We're always looking at ways of ensuring our sites and services are accessible and inclusive. Our community initiatives, including our flagship programmes, are about making our facilities more accessible to those who wouldn't normally be able to afford our services.

People with disabilities are welcomed to Nuffield Health as employees, patients and members. However, we're conscious that not all our locations are access-friendly to some with disabilities and this is something we'll be actively addressing during 2021.

In recent years, there's been a sharp rise in the number of people suffering from dementia, due largely to an increase in the ageing population. The number is currently estimated to be around 850,000 and our aim is to become a Dementia Friendly organisation, where all our people are trained to understand and empathise with this condition.

We already have a network of Dementia Friends across our hospitals and it's our intention to increase this number over the coming year. Some hospital sites have introduced dedicated rooms to assist patients and carers (see case study opposite).

During 2021, we'll be focusing on front-of-house teams across our hospitals and fitness and wellbeing centres, as they are the first point of contact for people with dementia arriving at our sites.



“We can’t expect them to come into our world, we have to go into theirs.”

Susi Thompson  
Quality Care Partner, Nuffield Health

“It’s the small things that will make a big difference.”

Susi Thompson is a Quality Care Partner at Nuffield Health. She’s also a driving force behind the growth of our Dementia Friends network.

With one in four patients in hospital estimated to have some form of dementia, it’s a worrying fact that around 225,000 people in the UK will develop the condition this year. Susi says: “The common symptoms are memory loss, inability to communicate clearly, as well as difficulty in recognising familiar objects, people and places.”

Our hospitals are seeing an increasing number of patients with dementia coming into both inpatients and outpatients. “It must be very frightening for them to be admitted to hospital, particularly at a time when Covid restrictions are in place and they can’t be with family members,” says Susi. “Small changes to the way we think about dementia, our processes and the environment, can make our hospitals more welcoming to these patients.”

Initiatives already introduced include roller blinds over mirrors, as they can be disorientating to sufferers; photographs on the menus so patients can clearly identify the options; and blue pillowcases so hospital staff immediately know the patient is a dementia sufferer.

“We can’t expect them to come into our world, we have to go into theirs,” says Susi. “It’s the small things that will make a big difference.”

**Social mobility**  
In 2019 we signed up to the Social Mobility Pledge and, as part of this, offer structured work experience and apprenticeship opportunities to people living in the communities in which we operate.

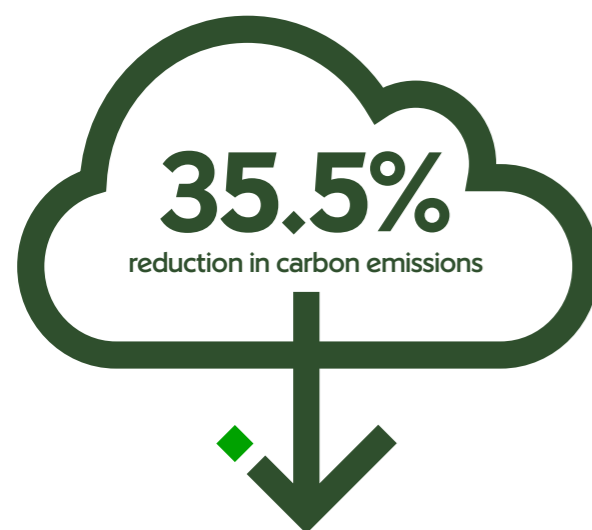
Our apprenticeship programmes are designed to build skills for life and range from literacy and numeracy skills, to technical, degree level and postgraduate qualifications. They’re open to anyone in the community between the ages of 16 and 60. Our managers are actively encouraged to ‘Think Apprenticeship First’ when recruiting new employees.

**850,000**  
The estimated number of people currently suffering from dementia in the UK, largely attributed to an ageing population

# Healthy environment

A healthy environment will benefit organisations and society but, most importantly, it will protect future generations. We're committed to doing all we can to reduce our impact on the environment and delivering sustainable healthcare.

## Aligned to SDGs:



## Carbon footprint

The year saw a significant reduction in our carbon emissions, with overall energy consumption trending down prior to the closures enforced by the COVID-19 restrictions.

The closure of our fitness and wellbeing centres in March 2020 presented us with a unique opportunity to review our estate and closely monitor utility usage in order to identify irregularities. The review identified three major water leaks, previously masked when the sites had been open. The closures allowed us to make significant changes to the way the centre's plant and equipment operated, without disrupting our members, ensuring efficient operation when we reopened.

We're pleased to report that all our electricity now comes from renewable sources and is carbon free – 99% natural sources, 1% nuclear. 2020 saw an 18.33%

reduction in gas carbon, year-on-year, together with a 35.46% reduction in combined carbon year-on-year.

We implemented a number of efficiency measures, including visits to sites that showed increased energy consumption. Regular communications to building services engineers, notifying them of usage levels, have resulted in raised awareness of the need to reduce waste and consumption.

Energy engagement e-learns will be produced in 2021 for employees across our sites, to enable us to share hints and tips to reduce usage, such as turning off computers when they're not in use.



## Recycling and waste

We encourage best practice amongst our people, patients and members. All sites are in possession of 'Good Recycling' guidelines and, during the year, posters were distributed reinforcing the key messages. Recycling rates are monitored centrally across the organisation.

We were pleased to see that recycling rates for rose from 34% in 2019 to 40% in 2020. Our target for the coming year is to recycle 50% of all general waste. We continue to work with suppliers across our consumer and hospital sites, to identify ways of enhancing recycling levels,



## Food for thought

During the year, fully compostable recycled packaging was introduced at all our 75 sites with 'grab and go' fridges. Matt Hicks, Head of Secondary Services, explained that the new packaging eliminates plastic containers and wrappings, and is made from 100% recycled paper.

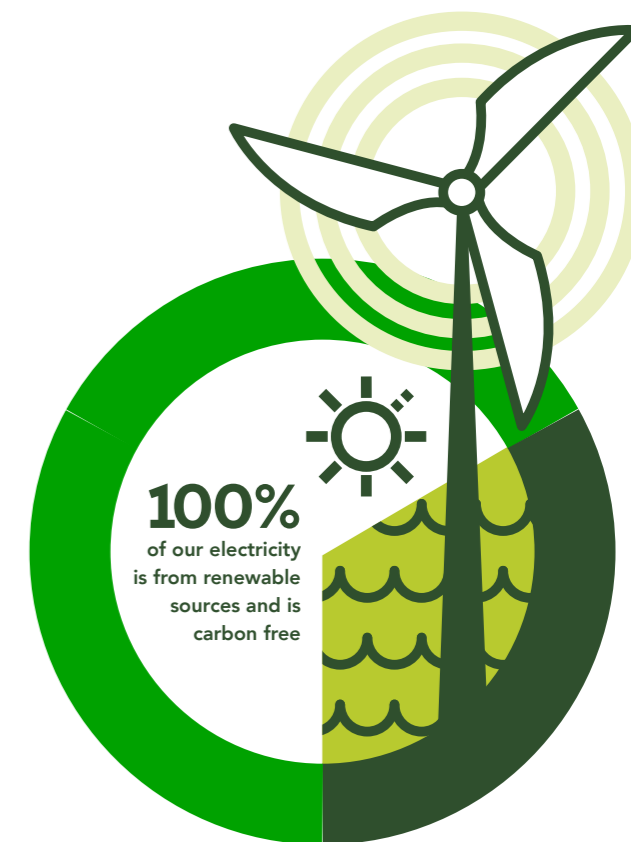
In addition, menus at our cafes were redesigned to 'cross pollinate' dishes with the same ingredients, all bearing the sustainable Red Tractor, RSPCA assured, MSC fish and free-range eggs standards. Matt says the changes have reduced food waste caused by short shelf-life ingredients, and simplified operational delivery to Nuffield Health sites.

"Our cafes and 'grab and go' fridges offer nutritious, healthy, sustainable options, presented in an environmentally-friendly, way. We're delighted that our food outlets are making a positive contribution towards the Charity's goals to reduce waste and improve sustainability across its sites."



# 31

hospitals recognised by the Soil Association for our commitment to sourcing environmentally sustainable and ethical food, and championing local food producers



particularly in respect of single use plastics. One of the largest contributors to this is sharps bins, which are used at all hospitals and fitness and wellbeing centres with clinics. In 2020, we purchased over 39,000 single use sharps bins of various sizes.

Our Newcastle and Haywards Heath hospitals continue to trial a reusable sharps bin service. Instead of being put in clinical waste and incinerated, the bins are collected by the service provider and emptied, cleaned, and eventually returned in a loop system. We're looking to roll this service out to more hospitals in 2021.



## Sustainable healthcare

A cleaner, greener environment will undoubtedly do much to improve the health of the nation and play its part in preventing some debilitating conditions.

In our hospitals, we're targeting key areas, including clinical waste, anaesthetic gases and single use plastics. And we're conscious of the need to ensure responsible prescribing in order to reduce pharmaceutical waste and pollution.

In 2020, we developed our supplier Code of Conduct, focusing on the sustainability of our supply chain. Our aim is to influence suppliers to improve their social, environmental, and economic practices in line with our ambitions. We'll continue to work together with our suppliers to bring about change.

During the year, we produced our first Streamlined Energy and Carbon Report, which provides us with the basis on which to develop our long-term strategy for carbon reduction. This will be a key focus for us in 2021.

REPORT:

# Streamlined Energy and Carbon Reporting

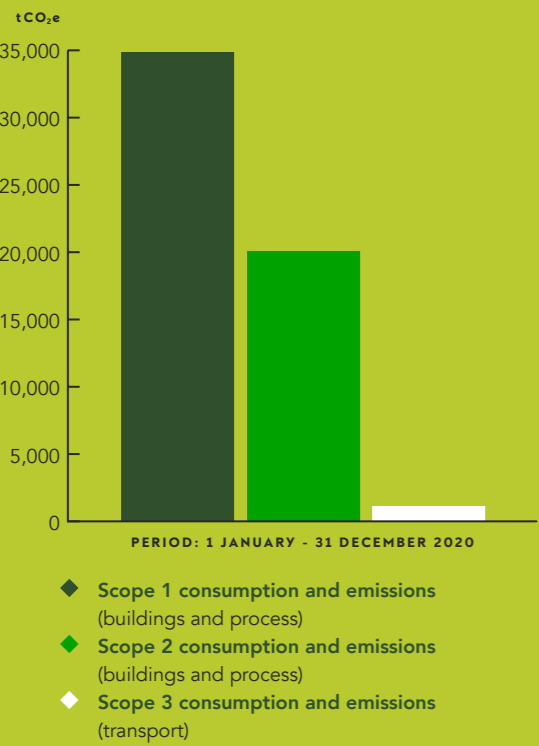
Under the new Streamlined Energy and Carbon Reporting (SECR) legislation, 2020 is the first year Nuffield Health is reporting on energy consumption, emissions, intensity metrics and all energy efficiency improvements implemented during the year.

This report summarises the energy usage, associated emissions, energy efficiency actions and energy performance for Nuffield Health, under the Government policy SECR, as implemented by the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Data quality and completeness

We’ve compiled a large amount of consumption data for our operations for the purpose of SECR, with data for 418 meters being processed for the data collection. All Nuffield Health’s electricity and gas invoices and transport information have been entered into a fully managed energy database up to 31 December 2020. Data quality checks have been carried out for data completeness and accuracy.

Scope 1, 2 and 3 emissions (tCO<sub>2</sub>e)



We’re proud to say we achieved 97.3% verifiable data coverage with 2.7% of consumption data required to be estimated to achieve 100% data coverage.

Year 1

Our Scope 1 direct emissions (combustion of natural gas and transportation fuels) for this first year of reporting are 35,999.35 tCO<sub>2</sub>e, resulting from the direct combustion of 194,388,900 kWh of fuel.




Scope 2 indirect location-based emissions (purchased electricity) for this first year of reporting are 20,106.55 tCO<sub>2</sub>e, resulting from the consumption of 86,242,379 kWh of electricity purchased and consumed in day-to-day business operations.

Scope 3 consumption and emissions relate to grey fleet (business travel undertaken in employee-owned vehicles) only. In this first year of reporting the emissions are 243.64 tCO<sub>2</sub>e resulting 883,278.85 miles from business miles travelled.

Nuffield Health’s operations have an intensity metric of 5.82 tCO<sub>2</sub>e per Full-Time Equivalent (FTE) for this reporting year.

Consumption (kWh) and greenhouse gas emissions

As 2020 is the first year that we are required to report this information, the following figures make up the baseline reporting for Nuffield Health:

-  **Scope 1 consumption and emissions** relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets.
-  **Scope 2 consumption and emissions** relate to indirect emissions relating to the consumption of purchased electricity in day-to-day business operations.
-  **Scope 3 consumption and emissions** relate to emissions resulting from sources not directly owned by the reporting company. For Nuffield Health, this is related to grey fleet (business travel undertaken in employee-owned vehicles) only.

2020 total consumption (kWh) for energy supplies

UTILITY AND SCOPE 2020	UK CONSUMPTION (kWh)
Grid-supplied electricity (Scope 2)	86,242,379
Gaseous and other fuels (Scope 1)	189,719,308
Transportation (Scope 1 and 3)	4,669,593
TOTAL	280,631,280

2020 total emission (tCO<sub>2</sub>e) for energy supplies

UTILITY AND SCOPE 2020	UK CONSUMPTION (tCO <sub>2</sub> e)	
	LOCATION BASED	MARKET BASED
Grid-supplied electricity (Scope 2)	20,106.55	967.98
Gaseous and other fuels (Scope 1)	34,883.69	34,883.69
Transportation (Scope 1 and 3)	1,115.66	1,115.66
TOTAL	56,106.90	36,967.33

Due to the renewable electricity procurement contract in place throughout 2020, should market-based emissions factors be utilised to calculate carbon emissions, our Scope 2 electricity emissions would reduce by 19,138.57 tCO<sub>2</sub>e to 967.98 tCO<sub>2</sub>e. Remaining emissions are a result of landlord-supplied electricity, where we have no control over energy procurement.

Energy efficiency improvements

At Nuffield Health, we’re committed to year-on-year improvements in our operational energy efficiency. The following measures were undertaken during 2020 and are ongoing:

Renewable electricity procurement

We’ve ensured that where electricity procurement is within our control, purchased electricity is generated from renewable sources such as wind, solar and hydro power. For landlord-supplied properties we engage, where possible, with the landlords to encourage the use of renewable energy in their occupied properties.



5.82  
The intensity metric of tCO<sub>2</sub>e per FTE for the annual total emissions of Nuffield Health

Ongoing energy consumption reviews

Across our sites, we have an extensive network of automatic meter readers (AMR) installed. This allows us to review energy consumption with increased granularity at individual site level and identify areas where energy and carbon savings can be achieved.

Increased energy awareness programme

At Nuffield Health, we have active campaigns in place to motivate our people across the Charity to treat the workplace as they would their home. This includes initiatives to ensure areas such as lighting and chilled water pumps are not operational outside of the opening times of the sites.

2021 measures prioritised for implementation

Nuffield Health is developing a plan which extends through 2021 and beyond, to reduce the carbon footprint of the Charity, with an end goal of being carbon neutral. This process will include the development of ongoing carbon reduction targets, which would be verified by the Science Based Targets initiative (SBTi) in the longer term.

To demonstrate full transparency throughout our operations of emissions from start to finish, we’ll look to expand on our existing energy and carbon reporting to also include fugitive gas and Scope 3. This will enable us to further define our carbon reduction roadmap.

# Risk management

Robust risk management is at the core of how we operate as a charity and is critical for ensuring we deliver our purpose and meet all of our stakeholders’ expectations.

The Board of Trustees is responsible for ensuring that the Charity has an effective Risk Management Framework, and has two sub-committees which monitor and review the system of risk:

- The Board Audit and Risk Committee (BARC) governs non-clinical enterprise risks across strategic, operational, commercial and financial pillars (page 92)
- The Board Quality and Safety Committee governs clinical and health & safety risks (page 90).

The Executive Board and senior leaders across the Charity are responsible for the day-to-day management of risk and provide regular updates to the Board of Trustees by risk reporting channelled through the above committees.

During 2020, we adapted our ‘business as usual’ Risk Management Framework to enable us to move at the necessary pace to manage and monitor the critical risks arising from the COVID-19 crisis.

Our key focus was on managing risks relating to the safety and wellbeing of our stakeholders; maintaining critical services to key partners, including the NHS; and securing the financial stability of the Charity through accessing support from lenders and the Government. The Board of Trustees remained sighted on the management of these risks through updates from the Executive Board, the BARC, and the BQSC.

### Risk appetite

We operate in a highly regulated environment where compliance with the law and all regulations is vital. Therefore, we’re averse to taking risks which would result in non-compliance with legal or regulatory requirements, including clinical standards and practices. We are also averse to taking risks that may damage our reputation and/or reduce levels of trust, both of which could result in a detrimental impact on our financial sustainability and ability to achieve our purpose.

We are more open to taking calculated risks in areas where we consider the likelihood of success, betterment, and fulfilling our purpose are high. For example, through

developing innovative service propositions, and investing to keep pace with new technology that can improve our services, efficiency and productivity.

### Principal risks

Eight principal risks have been identified, which we believe could threaten the delivery of our strategic objectives, significantly disrupt our operating model, or negatively impact our future financial performance. These risks are set out on pages 78 to 81, with a summary of mitigations and forward plans alongside our current view of the change in risk exposure. They do not comprise all our risks and are not in priority order. Additional risks that are currently unknown, or deemed less material, may also have adverse effects.

Our risk profile continues to be impacted by COVID-19, and we have noted below some examples in relation to four of the principal risks.

#### Financial sustainability

COVID-19 and the lockdowns placed significant pressure on the Charity’s cash flow and short-term borrowing requirements in 2020 and early 2021. Accessing support from our lenders and the Government were key mitigations to manage our financial sustainability during this time, alongside maintaining close oversight of our financial forecasts and cost controls.

There remains uncertainty that may impact our financial sustainability in the future, with the possibility of further lockdowns, no guarantees over the long-term availability of Government support, and any downturns in the general economic outlook impacting demand for our services. Our focus will remain on engaging positively with our lenders and implementing robust forecasting and cost controls.

#### Forced closure of sites

Closing our operational sites due to national or regional lockdowns as a result of COVID-19 could result in large scale disruption to our business model, workforce, and financial performance. Our ability to deliver our purpose and our strategic plans will be challenged in the event that any national lockdown remains in place



## Our principal risks

- 1 Financial sustainability
- 2 Economic climate
- 3 Service propositions
- 4 Forced closure of sites
- 5 Workforce
- 6 Quality of care
- 7 Cyber security
- 8 Regulatory and policy environment

for an extended period. We are, therefore, developing financial and operational resilience plans in response to this scenario.

#### Workforce

Attracting, retaining, and developing our workforce to continue to deliver high quality services in line with our strategic plans, is one of the principal risks impacted by the pandemic. Morale and wellbeing have been challenged by the pandemic, and we continue to prioritise the provision of emotional and financial wellbeing support to our employees.

The Charity is driving many initiatives to manage risk to its workforce in light of COVID-19 challenges. This includes reviewing our employee experience and recruitment strategy; updating our employee value proposition; investing in digital and change leadership capabilities; and supporting an internal ‘Equity Forum’ to help shape how we act as a fair and equitable employer.

#### Quality of care

Our focus on managing the quality of care delivered through our healthcare services remains paramount. While COVID-19 continues to present challenges, including supply chain resilience and the requirement for enhanced infection prevention controls at our sites, we are well positioned to mitigate these pressures.

### Looking forward

The Executive Board has identified an emerging risk for 2021 in respect of our ability to adapt our organisational structure and delivery model quickly enough to meet the increasing demand for services, whilst expanding our reach, and delivering greater public benefit.

Our customers’ needs, and how they interact with us, are changing. We must understand these needs, as well as keep pace with the rapid acceleration in technological advances, including the digitisation of health and wellbeing services.

We wish to seize the opportunity to benefit from what we learned in 2020 from our response to COVID-19, which demanded highly agile and effective ways of working. We have reviewed our activities across the Charity and are reorganising these to ensure our teams are efficient, effective, and dynamic. This will enable us to best support the delivery of quality customer-centred services by our front-line teams.

Our plans for building a fitter future for the Charity also include looking at our financing model and our strategy. We want to be best placed to seize the right opportunities to assure our long-term sustainability, and contribute even more to UK society by building a healthier nation.

# Our principal risks

Strategic priorities key:



Public benefit



Quality outcomes and assurances



Connected health



Brand leadership



Financial sustainability

Risk	Strategic priorities	Description	Mitigations	Current risk exposure	Forward plans
<b>1</b> <b>Financial sustainability</b>		<p>Without sufficient earnings or funding we risk our capability to maintain the Charity and invest, in order to deliver our strategic objectives. Sustainable earnings, supported by serviceable borrowings, are required to allow us to continue operating as a going concern. We have a responsibility to operate efficiently and invest our funds wisely to comply with short-term lending covenants, and support long-term financial sustainability.</p>	<ul style="list-style-type: none"> <li>Structured, delegated authorities in place, with Trustee approval of major expenditure</li> <li>Rigorous operating cost control</li> <li>Regular reporting and forecasting of cash and net debt</li> <li>Financial modelling for short-term operational and financial resilience planning</li> <li>Secured additional CLBILS borrowing facilities in 2020 to support the Charity through COVID-19 disruption</li> <li>Development of five-year financial plans with the application of financial stress scenarios to test resilience.</li> </ul>	 <b>Reduced</b>	<ul style="list-style-type: none"> <li>Early engagement with lenders on refinancing model for beyond October 2022.</li> </ul>
<b>2</b> <b>Economic climate</b>		<p>The economic outlook remains uncertain, with the impacts of both COVID-19 and Brexit expected to affect the economy throughout 2021-2022. A depressed economic climate increases the risk that revenue and cash flow cannot be maintained at previous levels. Our finances and operating models may also be negatively impacted if critical partners cease trading due to market forces.</p>	<ul style="list-style-type: none"> <li>Continuous short and longer-term forecasting of profitability, net debt and covenant positions</li> <li>Development of financial stress tests and scenario modelling to support contingency planning</li> <li>Maintenance of robust capital expenditure approval and oversight processes</li> <li>Open and positive relationships with lenders</li> <li>Utilisation of government grants</li> <li>Supply chain monitoring to mitigate shortages and cost exposures.</li> </ul>	 <b>Increased</b>	<ul style="list-style-type: none"> <li>Negotiate debt facilities with lenders that ensure the Charity can absorb short-term shocks from economic volatility</li> <li>Continued management focus on optimising the efficiency and effectiveness of all activities</li> <li>Strategic review.</li> </ul>
<b>3</b> <b>Service propositions</b>		<p>There is a risk that we do not invest, adapt and innovate our service lines, technology and propositions to meet the changing needs of our patients, customers and partners. These needs are continuing to evolve in light of COVID-19. This presents opportunities to offer better, new and expanded services to increase our charitable reach and stay ahead of our competitors.</p>	<ul style="list-style-type: none"> <li>Focused responsibilities through the Customer and Operational Development functions</li> <li>Connected healthcare offering, through growing variety of services</li> <li>National coverage through hospitals, medical clinics, fitness and wellbeing centres, and diagnostic units</li> <li>Multi-channel service provisions across the NHS, PMI, Consumers and Corporates</li> <li>Innovation Board oversees exploration of new services and offers via partnerships, affiliations, and joint ventures.</li> </ul>	 <b>Unchanged</b>	<ul style="list-style-type: none"> <li>Strategic review</li> <li>Investment in new propositions driven by reliable market insight.</li> </ul>
<b>4</b> <b>Forced closure of sites</b>		<p>The Charity may face further disruption to its core operational processes and trading activities, if ongoing COVID-19 public lockdown measures result in forced closure of our operational sites. This would significantly impact our ability to operate all of our services, have a negative financial impact on the Charity, and limit our public reach.</p>	<ul style="list-style-type: none"> <li>Executive-led crisis response framework</li> <li>Operational and financial resilience plans.</li> </ul>	 <b>Unchanged</b>	<ul style="list-style-type: none"> <li>Scenario modelling to inform operational and financial resilience plans.</li> </ul>

# Our principal risks

Strategic priorities key:



Public benefit



Quality outcomes and assurances



Connected health



Brand leadership



Financial sustainability

Risk	Strategic priorities	Description	Mitigations	Current risk exposure	Forward plans
<b>5</b> <b>Workforce</b>		<p>There is a risk that the Charity is not able to attract, retain and develop the best people to support and deliver our services to the high levels of safety, care and excellence that the Charity expects. We operate in a competitive market and the need to attract and retain the best talent is key to achieving our strategic objectives.</p>	<ul style="list-style-type: none"> <li>Employee engagement strategy</li> <li>Provision of emotional and financial wellbeing support to employees impacted by COVID-19</li> <li>Apprenticeship scheme programme</li> <li>KPI monitoring includes staff turnover/retention, vacancies and engagement</li> <li>Reward plan around clinical grading and pay.</li> </ul>	 <b>Increased</b>	<ul style="list-style-type: none"> <li>Launch of updated employee value proposition</li> <li>Embed learnings to enhance employee experience</li> <li>Market pay evaluations.</li> </ul>
<b>6</b> <b>Quality of care</b>		<p>There is a risk that we compromise the quality of our healthcare services through non-compliance with national guidance, local policy, inadequate environment and/or lack of capability. Any incidence of performance below this standard could result in damage to patients' health and wellbeing, costs, penalties and other sanctions (including loss of registration), and damage to our reputation.</p>	<ul style="list-style-type: none"> <li>Quality Assurance Framework</li> <li>Culture of transparency through sharing of intelligence and empowerment to speak up</li> <li>Programme of Quality improvement activity agreed and monitored by the Board</li> <li>Induction programme for clinical employees</li> <li>Estates, equipment and technology fit for purpose and regularly reviewed in line with clinical requirements</li> <li>Supplier due diligence and resilience planning.</li> </ul>	 <b>Unchanged</b>	<ul style="list-style-type: none"> <li>Quality Improvement Plan 2021 agreed and monitored by the Board.</li> </ul>
<b>7</b> <b>Cyber security</b>		<p>There is a risk of a cyber security incident, potentially involving a breach of data protection law. This could result in operational, legal, contractual and/or regulatory consequences, as well as reputational damage. Threats include external cyber attackers and malware (including via the supply chain), physical security attacks and sensitive data being lost or accessed without authorisation.</p>	<ul style="list-style-type: none"> <li>Team in place to manage, monitor and maintain cyber security controls</li> <li>Certification to ISO27001, which is independently audited</li> <li>Regular independent technical security testing, including cyber attack simulations</li> <li>Continual information security assessments of third party data processors</li> <li>User training and awareness campaigns for good cyber hygiene.</li> </ul>	 <b>Increased</b>	<ul style="list-style-type: none"> <li>Risk-based continual improvement of cyber security controls and technologies</li> <li>Continual monitoring of changing cyber security trends.</li> </ul>
<b>8</b> <b>Regulatory and policy environment</b>		<p>In common with many UK organisations and charities, we are subject to increasing and changing rules, regulations, policies and legislation, including in the context of global pandemics. Failure to recognise, adapt to and comply with the above means we risk additional costs, penalties and other sanctions (including loss of registration), damage to patients' and members' health and wellbeing, and damage to our reputation.</p>	<ul style="list-style-type: none"> <li>Compliance audits and rigorous reporting with issues investigated and actioned at pace</li> <li>Horizon scanning with key links into regulatory bodies to gain early sight of upcoming regulatory and policy changes</li> <li>Mandatory training with regular checks on compliance</li> <li>Continuous review of policies to ensure adequacy and relevance.</li> </ul>	 <b>Increased</b>	<ul style="list-style-type: none"> <li>Policy audit to ensure policies are continually updated and accessible</li> <li>Continued focus on promoting compliance behaviours and adding non-compliance mechanisms to risk registers</li> <li>Data protection compliance visits.</li> </ul>



# Chair's introduction to the Board of Trustees' report

When appointed Chair, I could never have anticipated that my first year of tenure would be during one of the worst healthcare crises in living memory. However, I was fortunate to take on a strong mantle from Russell Hardy, who led the Charity so effectively over the previous decade, and who I worked with closely for three years.

Despite the extraordinary circumstances of 2020, caused by COVID-19, Nuffield Health stayed focused on its purpose to build a healthier nation. Our priority has been to support our people, patients and members to the best of our ability, whilst working together with the NHS to help ensure that all urgent healthcare needs continued to be met in the communities we serve, despite the pandemic.

Throughout the pandemic, our principles were:

- 1 To look after our people**
- 2 To support our patients, members, customers and wider communities**
- 3 To protect the long-term financial sustainability of the Charity**

Everything we did, every decision we made, was balanced against this standard.

This year, the Board increased its focus on stakeholder engagement, including our people, customers, suppliers and communities. We've listened to, and

taken into account, the views of these groups and more information about our work can be found on page 58.

The role of the Board of Trustees is one of stewardship, overseeing the governance and risk management of the Charity. We work with the Executive Team to ensure we maximise delivery of Nuffield Health's public benefit whilst ensuring our long-term sustainability. During the pandemic, the sound processes and procedures embedded over recent years through our Quality Assurance function enabled us to act quickly, do things differently, and be creative in managing the fast-changing demands placed upon us.

In the autumn of 2020, I instigated a Board effectiveness review to determine how we could further strengthen the Board. This was conducted independently to ensure objectivity, using Julia Unwin's Five S methodology of charity governance. During 2021, we'll be recruiting new Trustees in order to reinforce the skills and talent we have, making sure we're prepared for the natural turnover of Trustees that will occur over time.

As we look to the future, climate change and the environment will be at the forefront of our minds. Now is the time to push ourselves further so we can help build a healthier future for all, and it's essential that we reflect on our wider impact as an extension of our charitable purpose. We're thinking about this carefully as we develop our strategy. Whether it's creating new services or building new sites, we have to consider the environmental aspects right from the start.

Nuffield Health is committed to doing the right thing with regard to our carbon footprint, based on evidence.

In 2020 we produced our first Streamlined Energy and Carbon Report. This provides us with a detailed picture of our carbon emissions for developing a long-term plan to reduce emissions (see pages 74-75).

The following pages set out details of the composition of the Board of Trustees, its corporate governance, processes and activities, as well as providing reports from each of the key committees. We're fortunate to have a strong team, with much experience to draw upon, and this was critical during 2020.

In closing, I want to thank my fellow Trustees for their support during my first year as Chair. Grateful thanks also go to Steve Gray and his Executive Management Team, who have worked so hard to secure the future of the Charity and its people, during this most difficult of years. I'm optimistic about 2021 and believe Nuffield Health will emerge stronger and fitter, with fresh vision for the post-pandemic world, and an even greater sense of purpose.

Our Board of Trustees approved this report on 10 August 2021 and I commend it to all our members.

*Natalie-Jane Macdonald*



**Dr Natalie-Jane Macdonald**  
 Chair

## Trustees' Report

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# Our Board of Trustees



The Board is responsible for ensuring the Charity is delivering its purpose. By setting strategic direction and overseeing risk management and governance, the Board supports the Chief Executive Officer and Executive Management Team in achieving the Charity's purpose.

At the date the Annual Report and financial statements were approved, the following Trustees were in place:

**1 Dr Natalie-Jane Macdonald**    
**Chair of Board • Appointed: June 2020**  
**Chair Executive Remuneration and Succession Committee • Appointed: January 2017**  
 Natalie-Jane has a strong understanding of the healthcare sector, beginning as a physician and clinical lecturer, then joining the British Medical Association as Head of Medical Ethics and International Affairs.  
**External appointments:** UK CEO of Sunrise Senior Living and Non-Executive Director at Riverstone Living.

**2 Steve Maslin**    
**Chair Board Audit and Risk Committee**  
**Appointed: July 2017**  
 Steve is a Chartered Accountant who spent 38 years as a partner in Grant Thornton, specialising in auditing listed and large private businesses, with roles including Chair of the Partnership Oversight Board and Head of Assurance.  
**External appointments:** Director and Chair of Risk and Audit Committees of Carey Group PLC and The Gurkha Museum. Member of the Risk and Audit Committees of the Royal Collection Trust and Ark Schools Academy Trust.





**3 Neil Sachdev MBE**    
**Appointed: 2018**  
 Neil brings strong property and retail experience. Previously, he was Group Property Director of J Sainsbury, before that serving for 28 years at Tesco, where he rose to be Stores Board Director. Neil was awarded an MBE for his work in relation to Energy Efficiency & Sustainability in the Retail sector.  
**External appointments:** Chair, Defence Infrastructure Organisation. Chair, Bonhill Group Plc. Chair, Cake Box Holdings Plc.

**4 David Lister**    
**Chair Board Quality and Safety Committee, Chair Trustees' Nominations Committee • Appointed: 2014**  
 David brings over 40 years of experience working in IT and operations for large, international businesses such as GlaxoSmithKline, Boots, Reuters, RBS and National Grid.  
**External appointments:** Chairman of M&S Bank, FDM Holdings and HSBC Private Bank UK. Also a Non-Executive Director of HSBC UK and a member of Court at Heriot Watt University.

**5 Martin Bryant**     
**Chair Finance and Investment Committee**  
**Appointed: 2013**  
 Martin has extensive experience of strategy, marketing and how to position an organisation. He has worked at the Home Office and several FTSE 250 companies.  
**External appointments:** Non-executive positions with the Government Procurement Service, the Scout Association, Wesleyan Bank and Wesleyan Assurance Society; Trustee of Vision Aid Overseas.

**6 Lord Victor Adebawale**  
**Appointed: July 2019**  
 Victor brings his experience as a social and business entrepreneur who has advised Government on social policy issues. From the Alcohol Recovery Project, he became Chief Executive of homelessness charity Centrepont before moving to Turning Point.  
**External appointments:** Non-executive with the Co-operative Group, chairs Social Enterprise UK. A crossbencher in the House of Lords.

**7 Dame Lin Homer**     
**Appointed: February 2019**  
 Lin brings experience as a leader of complex operational and political organisations, including the Department for Transport and HM Revenue & Customs. She worked in local government for 30 years, responsible for social care issues. She brings knowledge in development and governance, from her time on the Council of the University of Birmingham and the Centre for Ageing Better.

**Areas of responsibility:**  Board Audit and Risk Committee  Trustees' Nominations Committee  Board Quality and Safety Committee  Executive Remuneration and Succession Committee  Finance and Investment Committee



**Board changes:** Russell Hardy served until June 2020. Dr Natalie-Jane Macdonald appointed Chair of Board in June 2020.

**8 Patrick Figgis**    
**Appointed: June 2018**  
 Patrick joined the Nuffield Health Board in 2018. He was previously a Senior Partner at PwC where he led its Global Health practice. He was a member of PwC UK's Board and Chair of its Non-Executive Director Forum. He has extensive healthcare experience and of organisations going through change.  
**External appointments:** Chair, Bowel Cancer UK; Trustee & Treasurer, Shakespeare's Globe.

**9 Russell Hardy**  
**Chair of Board • Served until: June 2020**  
 An economist and accountant by training, Russell has extensive experience in retail and management, having held a number of senior and board level roles. He has spent the past 11 years of his career in the healthcare market, working with NHS, private equity and commercial providers.

## Our Executive Management Team

# Our Executive Management Team

Our Executive Management Team is responsible for the management of the Charity, for developing the strategic direction for approval by the Board, and for implementing the agreed strategy.

At the date the Annual Report and financial statements were approved, the following executives were in place:

### 1 Steve Gray

#### Chief Executive Officer

Steve took over the role of Nuffield Health Chief Executive Officer on 1 December 2015. He previously led the development of the health and wellbeing services at Lloyds Pharmacy and subsequently at A. S. Watson, where he was Healthcare Director. Steve has over 40 years' experience, with the past 25 years in management, working primarily within the healthcare sector, holding a number of leadership, commercial and operational positions.

### 2 Jenny Dillon

#### Chief Financial Officer

As Chief Finance Officer, Jenny is responsible for Finance and Procurement. Prior to joining Nuffield Health, she headed up the UK Finance senior leadership team and led the Finance business partnering teams for National Grid. She has also held a number of senior finance roles at Central England Co-operative Society and in healthcare, working for Lloyds Pharmacy.

### 3 Caroline Smith

#### Chief Quality and Operating Officer

Caroline is responsible for delivering our quality and outcomes, and driving the transformation agenda. She has a wealth of experience spanning healthcare services. This relates to regulated and unregulated outsourced services alongside the pharmaceutical industry and direct to the NHS. Previously, Caroline was a Partner at Management Solutions for Healthcare.

### 4 Jane Garvey

#### Chief People Officer

Jane is responsible for developing our People & Organisational Development Strategy. She brings over 30 years' experience in leadership development, employee experience, executive coaching and brand engagement, and has achieved exceptional results at all levels. Jane has worked in a variety of industries, helping global organisations transform their leadership and improve performance, including Reckitt Benckiser, British Airways, BT and Bupa.

### 5 Chris Blackwell-Frost

#### Chief Strategy Officer

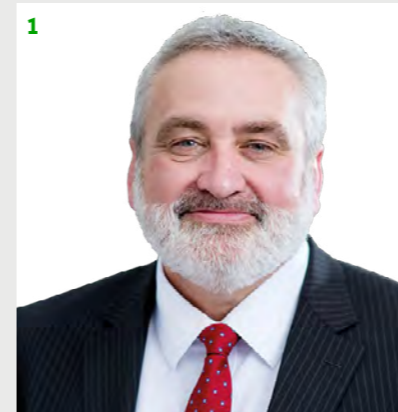
As Chief Strategy Officer, Chris is responsible for the marketing, sales and customer propositions of Nuffield Health. He joined the organisation in April 2016, bringing over 25 years of experience across the healthcare and pharmaceutical sectors. A pharmacist by training, Chris brings with him experience in sales, clinical services development, strategic marketing, acquisitions and brand development. Previously he has worked at Lloyds Pharmacy and AAH Pharmaceuticals.

### 6 Amanda Lambert

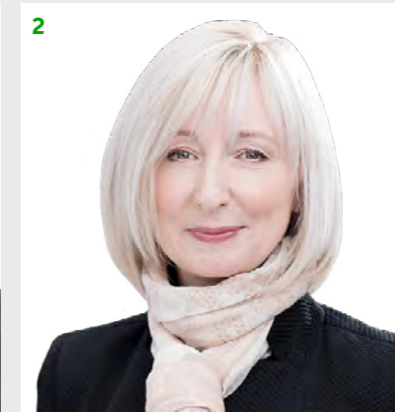
#### Chief Customer Officer • Appointed April 2021

Amanda is responsible for driving forward our Customer agenda, including defining our customer value proposition, our customer channel and digital strategy. Amanda brings a wealth of experience in leading digital transformation in customer-focused organisations, having led the customer and sales divisions for O2, Hutchison 3G and Xerox.

1



2



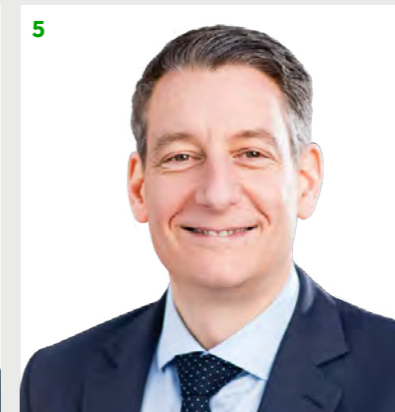
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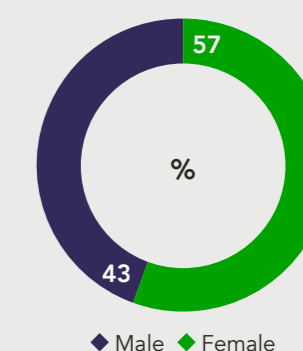
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8



Gender diversity as of July 2020



### 7 Karl de Bruijn

#### Chief Technology Officer • Appointed June 2021

Karl brings with him significant IT experience to drive forward our technology transformation, having held roles including Chief Information Officer at Arcadia Group, IT Transformation Director at Primark and Global IT Director for Cath Kidston and Specsavers. He has also worked for Nationwide, Legal & General and Merrill Lynch.

### 8 Martin Friend

#### Chief Operations Officer • Served until May 2021

Martin took over the role of Chief Operations Officer in November 2017. Martin has over 20 years' experience in the health, leisure and retail sectors, passionately leading business transformation, operational delivery and numerous acquisitions. In June 2021, Martin took up the role of Business Integration Director.

# Structure, governance and management

Nuffield Health is a registered charity, incorporated under the Companies Acts 1948-2006, being a company limited by guarantee without share capital. The regulatory document is the Articles of Association. A Board of Trustees governs the Charity.

Trustees are also Directors of the company and collectively constitute the Board, which is responsible for:

- setting strategy
- ensuring that the necessary financial, human and physical assets are available to meet the strategic aims
- monitoring performance
- overseeing risk management
- setting the Charity's values.

### Trustees

The Nominations Committee recommends Trustees. Appointed at the Annual General Meeting (AGM) by a vote of the members, for a period of three years, they are eligible to stand for re-election, but limited to serving a total aggregate of nine years. For more information about our Trustees' areas of responsibility, see page 84.

### Members

Nuffield Health is a registered charity, and also a company limited by guarantee without share capital. As such, it doesn't have shareholders. Instead, it's required by company law to have members who are the company. Members act as nominal guarantors, with liability limited to £1, in the event that the company should ever be wound up.

Members have a constitutional role at the heart of Nuffield Health's governance and accountability. This is an unpaid position and they are not entitled to receive any profits or assets from Nuffield Health. They are entitled to vote at the AGM, where accounts are approved and Trustees are elected, and are kept informed about the Charity's progress throughout the year. Current membership includes former employees and Trustees, consultants, and people involved in raising the funds that founded some of our hospitals.

### Committees

Trustees serve on one or more of the Board Committees and they may attend any other Board Committee meeting if they wish. The Board delegates specific

responsibilities to the Committees shown below, and they provide counsel, expertise, and support to the Executive Management Team.

Committee membership details are shown on pages 90-95. The performance of the Committees is regularly evaluated to support continual improvements in the governance of the Charity.

### Board of Trustees

In 2020, the Board of Trustees met 10 times, with a full and comprehensive schedule of work. The agenda was focused on:

- guiding the Charity's response to the pandemic
- the long-term strategy of Nuffield Health
- reviewing new opportunities to further extend the Charity's public benefit
- continuous improvements in quality and outcomes
- enhancing the Charity's governance and assurance
- guiding the Charity's response to Brexit.

Following the approval of a new five-year strategy in 2016, the Board has continued to focus on the structure and governance of the organisation and its financial commitments, alongside the furthering of its public benefit objective. It is mindful of its responsibilities to balance investment in making our services accessible to more people, with our ability as a Charity to access capital. The Trustees plan to conduct a strategic review during 2021.

We maintained our focus on high quality care and outcomes. Supported by the Board Quality and Safety Committee (BQSC), the Board of Trustees assessed ongoing improvement plans to enhance processes, management, and culture.

The Trustees, all of who are experienced non-executive Directors, are updated as to relevant legal and regulatory matters pertaining to the Charity and its activities.

### Engaging with our stakeholders

Our Board of Trustees believes that, throughout the year, it has acted in a way that is most likely to promote the success of the Charity for the benefit of all stakeholders and in accordance with our purpose and values.

## Board Committees and Trustee attendance

		<div>Q</div>	<div>A</div>	<div>R</div>	<div>N</div>	<div>F</div>
	Board Quality and Safety Committee	Board Audit and Risk Committee	Executive Remuneration and Succession Committee	Trustees' Nominations Committee	Finance and Investment Committee	
Trustee	Board of Trustees	<div>A</div>	<div>Q</div>	<div>R</div>	<div>F</div>	
Number of meetings in 2020	10	5	3	3	5	
Numbers attended						
Dr Natalie-Jane Macdonald (Chair)	10	5	3	3	4	
Martin Bryant	10	5	–	3	5	
David Lister	10	–	3	–	–	
Steve Maslin	9	5	–	3	1	
Patrick Figgis	8	3	3	–	–	
Neil Sachdev	10	–	–	–	5	
Dame Lin Homer	9	1	1	–	4	
Lord Victor Adebowale	8	–	–	–	–	
Russell Hardy (served until June 2020)	5	–	–	1	2	

The Board of Trustees has identified that our stakeholders are as described on pages 58-59 of this report. The table shows how we engage with our stakeholders, and the outcomes of these interactions in 2020. Regular reports are submitted to the Board of Trustees in respect of each stakeholder group, so it is well informed about progress and any areas of concern. The Trustees take into account the interests of our stakeholders when making decisions or recommending actions to the Executive Team.

### Board review of the Modern Slavery Act 2015

In accordance with our values and commitment to acting ethically and with integrity in all our relationships, the prevention, detection, and reporting of modern slavery and human trafficking is the responsibility of our people, our suppliers and any associated organisations. Based on our 2020 review of supply chain due diligence, we remain satisfied that our key suppliers and associates have appropriate anti-slavery policies in place.

### Reserve policy

The Trustees scrutinise the financial sustainability of the Charity through regular reviews of cash forecasts and budgets, and do not set a reserve target. We aim to use the majority of surplus cash to invest in operational assets and infrastructure that improve the quality of, or increase, the Charity's activities for public benefit. It is, therefore, expected that free reserves will not be created at this stage.

Finally, this year, the Trustees' responsibility for good governance has been a continuing theme of the Charity Commission, and the Board remains mindful of its responsibilities. Significant steps were taken to further strengthen the governance and assurance processes around both financial sustainability, and the clinical aspects of the Charity's work. We have responded to new legislation and the changing environment occasioned by the COVID-19 pandemic, alongside a continued focus on the delivery of public benefit.

Q Board Quality and Safety Committee



Chair: David Lister

Committee members

Dr Natalie-Jane Macdonald  
Dame Lin Homer  
Patrick Figgis

Purpose

To provide internal quality controls assurance by:

- monitoring and reviewing the effective operation of clinical governance throughout the Charity
- considering clinical risk, and health and safety matters
- maintaining statutory and regulatory oversight
- driving a sound quality culture, in line with the Charity's core values and behaviours.

Membership and frequency

The Committee met three times during 2020, with Roger Taylor continuing to provide independent input during the year.

The Chief Executive Officer (CEO) regularly attends meetings. The following attend by invitation: the Chief Quality and Assurance Officer; Clinical Director and Chief Nurse; Chief Medical Officer; Charity and Medical Director, primary care; Head of Clinical Governance; Chief Operating Officer; Chief People Officer; and Quality Lead Clinical Governance provides secretariat services.

Main activities

The BQSC played a key role in the oversight of clinical assurance during the pandemic, as we adapted our service provision to support the NHS and the health of the nation during 2020.

“Our aim is to embed a quality improvement culture that’s continually learning lessons.”

As an integral component of our Quality Assurance Framework, alongside the Quality Forum and Expert Advisory Groups, the BQSC help to manage, deliver, and assure Quality care. Our aim is to embed a quality improvement culture that’s continually learning lessons and instigating change at site level.

During the year, the BQSC has:

- held meetings virtually due to COVID-19 restrictions
- supported and advised on the development of patient safety and outcomes culture across the Charity
- provided assurance regarding quality governance processes and reporting systems, taking advice from the relevant clinical senior leaders
- reviewed clinical, health and safety, and other governance issues, as relevant
- facilitated strengthened relationships with relevant external bodies, including the NHS
- invited a nominated representative from the CQC to attend every Committee meeting
- reviewed quality and safety performance information, with input from the relevant governance forums
- considered matters arising from Quality reviews and other reports, as defined by the Board and recorded in the Cycle of Activity.



Trustee Lin Homer meeting Tom Regan, COVID-19 Rehabilitation Specialist, Chelmsford Fitness and Wellbeing Centre

N Trustees’ Nominations Committee

Chair: David Lister

Committee members

Dame Lin Homer  
Neil Sachdev  
Russell Hardy (served until June 2020)

Purpose

The names of prospective Trustees are referred to the Trustees’ Nominations Committee. This Committee also considers recommendations for appointment for membership of the Charity. No person may be appointed as a Trustee unless he or she is a member.

Membership and frequency

During 2020, the members of the Committee were David Lister (Chair), Dame Lin Homer and Neil Sachdev. These Trustees replaced Russell Hardy who stepped down after eight years as Chairman and a decade on the board and Martin Bryant.

Main activities

In spring 2021, the Committee initiated a search for two new Trustees following the board effectiveness review, which took place in autumn 2020. The Committee will be recruiting new Trustees in order to reinforce the skills and talent we already have, and expect to appoint both positions ahead of the Annual General Meeting.

Trustees’ Remuneration Committee

Chair: Michael Smith

Committee members

George Fergusson  
Jane Wesson

Purpose

The Trustees’ Remuneration Committee was established in 2000, following the approval of the Charity Commission to permit the remuneration of the Trustees.

The Committee is responsible for making recommendations regarding Trustees’ remuneration.

Membership and frequency

During 2020, the members of the Committee were Michael Smith (Chair), George Fergusson and Jane Wesson. Having met in early 2020, the Committee met again in January 2021.

Main activities

The Committee discussed Trustees’ remuneration, Board composition and continuity, the recruitment of new Trustees and appraisal of Trustee performance. Details of the fees paid to the Trustees are shown within the financial statements under note 10.

A Board Audit and Risk Committee



Chair: Steve Maslin

Committee members

Martin Bryant  
Patrick Figgis

Purpose

To provide assurance to the Board of Trustees on:

- the accuracy and integrity of financial reporting, including assessment of any key audit and accounting judgements
- the scope of External and Internal Audit programmes
- the non-clinical control environment, through identification of risk to core activities and objectives, verification of management's assessment of how strategic risks are controlled and monitored, and review of Nuffield Health's risk appetite
- counter fraud measures
- appointment of external and internal auditors, ensuring the principles of objectivity and independence are upheld.

Membership and frequency

The Committee met five times in 2020 and is scheduled to meet four times in 2021, with the meeting to review the Annual Report and Accounts and receive the report from the external auditor held in July 2021.

Representatives from the external and internal auditors attend meetings, along with the Chief Executive Officer, the Chief Financial Officer and the Finance Director. Other members of the management team are invited to attend meetings, as required, to provide specialist input on areas of review as determined by the Committee.

Natalie-Jane Macdonald, the Chair of the Board, and a member of the Board Quality and Safety Committee attended a number of meetings as a participating observer, and to ensure all risks were appropriately addressed across clinical and non-clinical areas, with no unnecessary duplication between Committees.

Main activities

Committee meetings included a discussion between the Trustees and representatives from External and Internal Audit, excluding the presence of management to enable independent discussion.

Financial reporting

The Committee reviewed the draft Annual Report and Accounts and recommended their approval to the Board of Trustees. The Committee reviewed the effectiveness of the external auditor and was satisfied that the appropriate rigour had been applied throughout the audit process.

The Committee's review of the Annual Report and Accounts included an analysis of key audit and accounting judgements and issues; and the presentation of key performance indicators, including the consistency of the narrative to the statements of financial performance.

Risk and control

At each BARC meeting the Committee received an update from management's Audit and Risk Committee (ARC), which provides oversight of the Charity's Risk Management Framework, and the BARC also performed a robust review of the following:

- risk management of key strategic change projects
- the Charity's Strategic risk register including a risk culture and behaviour assessment and a review of the COVID-19 Recovery Plan risk register
- the Charity's tax strategy
- cyber security
- business continuity management plans
- review of the Charity's Brexit Risk and Planning
- NHS counter-fraud planning.

The Committee also reviewed and approved the Internal Audit plans for 2020 and 2021, which evolved during the year to ensure that new risks arising or changes as a result of the impact of the COVID-19 pandemic were reviewed in a timely manner. Regular reports were received on audit findings and actions, to ensure sufficient rigour in the audit programme and adoption of recommendations in the Charity.

Key audit and accounting judgements

ISSUE	RESPONSE
<p><b>Impairments</b></p> <p>Judgement is required when reviewing the carrying value of assets to determine whether an impairment exists. Trigger tests are performed to assess whether performance is in line with expectations, or provides an indicator of potential impairment. Management subsequently prepares a value in use model, or obtains valuations to assess the asset's carrying value and calculates an impairment charge where appropriate.</p>	<p>The Committee reviewed management's impairment trigger assessment across the portfolio of strategic projects, fixed assets on sites of onerous leases, and goodwill performed at year end. The Committee satisfied itself that the assumptions used, and resultant impairment assessments, were reasonable.</p>
<p><b>Onerous leases</b></p> <p>Judgement is required when determining the extent to which future lease payments exceed anticipated economic benefits, as forecast cash flows consider both indirect costs and capital expenditure. Management prepares an assignment value to estimate the alternative strategy of exiting the lease and calculates an onerous lease provision where appropriate.</p>	<p>The Committee reviewed management's judgements in assessing the need for any adjustments to the onerous lease provision. It was satisfied that the assumptions used, and the resulting assessment, were reasonable.</p>
<p><b>Exceptional items</b></p> <p>Judgement is required when considering whether an item is exceptional due to being non-recurring, and of sufficient value and nature to be separately identified in the financial statements. Management identifies exceptional costs associated with reorganisation, transformation costs and material one-off items.</p>	<p>The Committee reviewed the treatment of exceptional items, as detailed by management. It was satisfied in the treatment used of such expense items.</p>
<p><b>Capitalisation and useful economic lives of assets developed through key change projects</b></p> <p>Judgement is applied when determining when an asset is complete and depreciation is applied, and when determining the life of assets built through complex transformation projects. Management assesses the treatment on a project-by-project basis to appropriately reflect the asset type and build.</p>	<p>The Committee reviewed the depreciation treatment on a project-by-project basis, and a capitalisation basis where appropriate. It was satisfied that the treatment reflected the Charity's depreciation policy, and the economic benefit derived from the assets.</p>
<p><b>Going concern</b></p> <p>The COVID-19 pandemic, and resulting Government-led social distancing measures, have disrupted the Charity's activities and the resultant financial performance. Appropriate financial modelling was undertaken to support the assessment of the Charity as a going concern.</p>	<p>The Committee reviewed management's financial modelling and reasonable downside scenario, and the headroom to existing facilities and covenants. The Committee concurred with management's recommendation to the Board that the Charity should apply the going concern assumption as there was a reasonable expectation that it could continue to meet its liabilities as they fell due over the 12 months following the date of this report.</p>



R

Executive Remuneration and Succession Committee



Chair: Dr Natalie-Jane Macdonald

Committee members

Martin Bryant  
Steve Maslin  
Russell Hardy (served until June 2020)

Purpose

To set an appropriate remuneration and successful planning policy that rewards the contribution and performance of the Chief Executive Officer and the Executive Team, whilst recognising the charitable purpose of the organisation.

“The Committee focuses on the Charity’s succession needs and ensures appropriate plans are in place for the immediate future and longer term.”

- The Committee reviewed the performance and objectives of each member of the Executive Team, paying particular attention to the cultural and behavioural aspects of performance, as well as the delivery of objectives.
- The Committee focuses on the Charity’s succession needs, and ensures appropriate plans are in place for the immediate future and longer term.

Additional information

Details of the number of employees working for the Charity, whose total emoluments and benefits (excluding employer pension contributions) exceed £60,000, are shown within the financial statements under note 11.

The Committee believes in transparency and in disclosing the pay ratio of our CEO relative to Nuffield Health’s median total pay, which is 20:1. This is calculated as the CEO’s total annual emoluments in 2020, as a ratio to our median employee FTE total emoluments in 2020.

Membership and frequency

The Committee met a total of three times in 2020. Natalie-Jane Macdonald became the Chair in June 2020, on the retirement of Russell Hardy from the Board of Trustees. She is supported on the Committee by Trustees Martin Bryant and Steve Maslin.

Main activities

- An annual review of executive salaries to ensure that total executive remuneration packages, comprising basic salary, pension contributions, performance-based annual bonus and organisation-wide employee benefits, are competitive, whilst also reflecting the organisation’s charitable status. Key management personnel are listed in the Committee meeting minutes and identified therein. Pay ranges are reviewed regularly by an external authority.

F

Finance and Investment Committee



Chair: Martin Bryant

Committee members

Neil Sachdev  
Dame Lin Homer

Purpose

To provide the Board of Trustees with:

- recommendations for approval of major financial commitment or investment proposals
- assessment of post-investment returns from approved investments
- evaluations of the funding plans required by the Charity to support approved levels of investment.

In 2020, as part of the standard principles of the Finance and Investment Committee, the Committee considered:

- progress on, and expected financial returns from, key strategic projects, including tier one transformation project updates
- business development activities
- contractual commitments for supply of critical services
- extensions to property leases.

The impact of the COVID-19 pandemic has been unprecedented, with many organisations making many significant decisions and adjustments to respond to the ever-evolving situation. The Charity was no exception and, as such, the Committee performed an in-depth review of the Charity’s financial sustainability scenario modelling, considering:

- the range of possible futures
- the appropriateness of key inputs and judgements
- the scale and pace of mitigating action plans
- the associated internal control and oversight framework.

Throughout the period of national restrictions, and the Charity’s support of the NHS, both the Committee and the Board received regular updates on the Charity’s progress towards delivering both its operational and financial forecasts.

Membership and frequency

The Committee met five times in 2020. The Chief Executive Officer and the Chief Financial Officer attend the meetings. Other representatives from the management team are invited to attend as required, in order to provide expert knowledge.

Main activities

In line with the Charity’s delegation of authority, the Committee reviews all proposals exceeding the delegated authority of the Chief Executive Officer and the Executive Board. The authority limits require the Committee to assess proposals greater than £2m for capital investments, and £5m for operating cost commitments.

Below these levels, responsibilities were discharged through the Executive Committee and Operating Board.

Trustees’ review of our objectives

Each year, the Trustees review the Charity’s objectives, its activities and the degree to which the services it provides are made accessible to the public. In addition to this, in 2018 the Trustees reviewed our purpose, leading to a simplified and concise articulation – ‘to build a healthier nation’.

This review examines the Charity’s achievements and the outcomes of its activities in the previous 12 months, together with the benefits delivered to users of the Charity’s services. Crucially, the Trustees’ review also ensures that the Charity remains focused on providing public benefit.

The Trustees continue to give careful consideration to the Charity Commission’s guidance on public benefit and, in particular, to its guidance for fee charging charities. The Trustees have also considered the level of access and affordability of all its services to each section of the population, in particular those living with lower resources.

Customer diversity was reviewed in 2018 and the Trustees supported the launch of the flagship programmes, developed to widen access to our expertise and expand our reach to those who would not normally be able to afford or access our services. Nuffield Health has policies in place to clarify, to those both inside and outside the organisation, how we deliver benefits to the public in order to fulfil our charitable objectives.

These include:

- a limit of 10% on those activities ancillary to the objectives of the Charity. This is to ensure that nothing excludes or causes detriment to our core purpose
- the establishment of guidelines by which any ancillary or fundraising activities can be judged, ensuring that they are directly related to, and necessary for, carrying out the Charity’s purpose
- a requirement that no activities are detrimental or harmful.

The Trustees are also aware of their responsibilities to ensure the Charity continues to deliver its charitable services. This is only possible if the Group has sufficient cash and loan facilities to continue in operational existence.

Cash flow forecasts are prepared regularly. Following their review, the Trustees have a reasonable expectation that the Group has adequate resources to continue to operate for the foreseeable future. This takes into consideration the risks contained within the forecasts and, for this reason, the Trustees continue to adopt the going concern basis in preparing the financial statements.

In addition, the Trustees are confident that plans are in place for 2021 that will further enhance the accessibility of the Charity’s activities to people living on lower resources. Our flagship Joint Pain programme has resumed at around 50 of our fitness and wellbeing centres. In addition, our COVID-19 Rehabilitation programme, developed in September 2020, has been rolled out to 40 of our fitness and wellbeing centres, meeting the nation’s biggest emerging unmet health need of the year.

The benefits of our flagship programmes are measured using a Social Return on Investment framework that allows us to determine social value for our four key beneficiaries – the individual, the family/carer, health and social care, and the economy (see page 35).

The Trustees have concluded that the objectives of the Charity remain entirely for the public benefit. They are also satisfied that the activities of the Charity are overwhelmingly carried out to fulfil its charitable objectives; that there are no activities that are inconsistent with its objectives; and that the Charity meets the requirements of the policies described.

Trustees’ responsibilities for the financial statements

For the purposes of company law, the Trustees are also Directors of Nuffield Health. They are responsible for preparing the Strategic Report, the Trustees’ Report, and financial statements. This is done in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’.

Company law requires the Trustees to prepare financial statements for each financial year, in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’.

Under company law, Trustees must not approve the financial statements unless satisfied they give a true and fair view of the state of affairs of the charitable company and Group, and of the incoming resources and application of resources, including income and expenditure for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charity’s Statement of Recommended Practice (FRS 102)
- make reasonable and prudent judgements and accounting estimates
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

Trustees are responsible for keeping adequate records that are sufficient to show and explain the transactions of the charitable company and Group, and disclose the financial position of both entities, with reasonable accuracy at any time. They must ensure financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provision of the trust deed.

Trustees are responsible for safeguarding the assets of the charitable company and the Group, and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company’s auditor is not aware
- all steps have been taken to make Trustees aware of any relevant audit information, and establish that the auditor is aware of that information.

Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company’s website. UK legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Relationship with subsidiaries**  
All subsidiaries are wholly owned by the Charity, and Directors are members of the management team.

Activities carried out by subsidiaries are non-charitable, activities coming with acquisitions that have not been transferred to the Charity, or businesses that are being developed with the aim of selling or entering into a partnership with another organisation.

The aim is for the subsidiaries to make a return to the Charity. Inter-company loans and trading are covered by written agreements.



# Independent Auditor's Report

# Independent Auditor's report to the members and the Trustees of Nuffield Health

## Report on the audit of the financial statements

**Opinion**  
In our opinion the financial statements of Nuffield Health (the 'parent charitable company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2020 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated and charity statement of financial activities;
- the balance sheets;
- the consolidated cash flow statement;
- the accounting policies; and
- the related notes 1 to 34.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**  
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

**Other information**  
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information within the

annual report. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of trustees

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

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

Auditor’s responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the group’s and the parent charitable company’s industry and its control environment, and reviewed the group’s and the parent charitable company’s documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group and parent charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act, UK Companies Act, pensions legislation, tax legislation, FRS 102 accounting framework; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent charitable company’s ability to operate or to avoid a material penalty. These included the group and charitable company’s operating licence, the Charity Commission for England and Wales (Charity Commission) regulations, Scottish Charity Regulator (OSCR) regulations, Ofsted regulations and Care Quality Commission regulations.

We discussed among the audit engagement team and relevant internal specialists such as pensions, IT, and financial instruments specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described as follows:

- determination of costs to be recovered under the contract with the NHS to provide private hospital sector services: we tested the key assumptions and their application; we tested the validity of a sample of costs
- determination of whether an expenditure is capital in nature: we tested the capitalised expenditure on a sample basis to assess whether it meets the relevant accounting requirements to be recognised as capital in nature.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the

charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors’ report included within the trustees’ report.

Matters on which we are required to report by exception

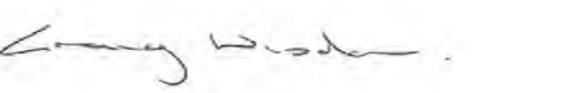
Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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 and to the charitable company’s trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company’s members and trustees 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, the charitable company’s members as a body and the charitable company’s trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Craig Wisdom**  
(Senior statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
St Albans, UK  
10 August 2021

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.



# Financial Statements

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## Consolidated income statement

for the year ended 31 December 2020

	Notes	2020 £m	2019 £m
Turnover – unrestricted	2	734.4	992.8
Turnover – restricted	2	45.1	–
Cost of services	3	(823.6)	(942.1)
Gross (deficit)/surplus		(44.1)	50.7
Support costs	3	(30.0)	(48.5)
Share of joint venture interests		–	(0.1)
Operating (deficit)/surplus before exceptional items		(64.6)	15.9
Exceptional items	5	(9.5)	(13.8)
Total operating (deficit)/surplus before interest and tax	6	(74.1)	2.1
Adjusted for:			
Depreciation and amortisation (excluding exceptional depreciation)		78.6	83.6
Exceptional items	5	9.5	13.8
Adjusted earnings before interest, tax, depreciation and amortisation		14.0	99.5
Net interest payable and similar income	7	(18.3)	(17.1)
(Deficit) on ordinary activities before taxation		(92.4)	(15.0)
Tax on (deficit) on ordinary activities	12	–	–
(Deficit) after tax for the financial year		(92.4)	(15.0)

All amounts derive from continuing activities.

The Consolidated income statement includes all gains and losses other than those arising from actuarial gains or losses on defined benefit retirement schemes and other post-retirement benefits and changes in the market value of the fixed asset investments. These items are presented in the Consolidated and Charity statement of financial activities on the following page.

The accounting policies and notes on pages 107 to 143 form part of these financial statements.

## Consolidated and Charity statement of financial activities

for the year ended 31 December 2020

Notes	Group Total funds*		Charity Total funds*	
	2020 £m	2019 £m	2020 £m	2019 £m
<b>Income and endowments from</b>				
Donations and legacies including government grants	44.8	0.1	44.3	0.1
Other income – restricted	0.3	–	0.3	–
Charitable activities	730.1	989.5	730.7	989.5
Other trading activities	1.8	3.2	–	–
Other non-trading income	2.5	–	2.5	–
Investments	0.4	0.5	0.4	0.1
<b>Total income and endowments</b>	<b>779.9</b>	<b>993.3</b>	<b>778.2</b>	<b>989.7</b>
<b>Expenditure on charitable activities</b>				
Share of joint venture interest	–	(0.1)	–	(0.1)
Other expenditure before exceptional items	(841.4)	(973.4)	(843.2)	(976.9)
Exceptional items	(9.5)	(13.8)	(9.5)	(13.8)
Interest payable	(18.7)	(17.6)	(18.6)	(14.1)
<b>Other expenditure</b>				
Other trading activities	(2.7)	(3.4)	–	–
<b>Total expenditure</b>	<b>(872.3)</b>	<b>(1,008.3)</b>	<b>(871.3)</b>	<b>(1,004.9)</b>
<b>Net expenditure</b>				
Before exceptional items	(82.9)	(1.2)	(83.6)	(1.4)
Exceptional items	(9.5)	(13.8)	(9.5)	(13.8)
<b>Net expenditure</b>	<b>(92.4)</b>	<b>(15.0)</b>	<b>(93.1)</b>	<b>(15.2)</b>
<b>Other recognised gains and losses</b>				
Actuarial losses on defined benefit retirement scheme	(22.6)	(10.7)	(22.6)	(10.7)
<b>Net movement in funds</b>	<b>(115.0)</b>	<b>(25.7)</b>	<b>(115.7)</b>	<b>(25.9)</b>
Fund balances at 1 January	38.5	64.2	35.5	61.4
<b>Fund balances at 31 December</b>	<b>(76.5)</b>	<b>38.5</b>	<b>(80.2)</b>	<b>35.5</b>

\* Total funds for the Group and Charity include restricted funds of £0.8 million (2019 – £0.8 million) and permanent endowments of £0.1 million (2019 – £0.1 million).

All amounts derive from continuing activities.

The accounting policies and notes on pages 107 to 143 form part of these financial statements.

## Balance sheets

for the year ended 31 December 2020

Notes	Group		Charity	
	2020 £m	2019 £m	2020 £m	2019 £m
<b>Fixed assets</b>				
Goodwill and intangible assets	13	109.3	101.2	109.5
Tangible assets	14	455.4	490.5	455.7
Investments	15	0.2	0.2	19.5
		564.9	591.9	584.7
<b>Current assets</b>				
Stocks	16	10.5	10.3	10.1
Debtors	17	101.7	91.1	106.5
Cash at bank	30	7.1	4.4	7.1
		119.3	105.8	123.7
<b>Creditors: amounts falling due within one year</b>	18	(191.5)	(161.0)	(224.1)
<b>Net current liabilities</b>		(72.2)	(55.2)	(100.4)
<b>Total assets less current liabilities</b>		492.7	536.7	484.3
<b>Creditors: amounts falling due after more than one year</b>	19	(409.0)	(375.3)	(484.8)
<b>Provisions for liabilities</b>	22	(35.5)	(21.5)	(35.5)
<b>Net assets/(liabilities) excluding post-retirement liabilities</b>		48.2	139.9	(36.0)
<b>Post-retirement defined benefit liabilities</b>	8	(124.7)	(101.4)	(44.2)
<b>Net (liabilities)/assets</b>		(76.5)	38.5	(80.2)
<b>Income funds</b>				
Restricted funds	1	0.8	0.8	0.8
Unrestricted funds:				
General fund		47.3	139.0	(36.9)
Post-retirement reserve		(124.7)	(101.4)	(44.2)
Total unrestricted funds	1	(77.4)	37.6	(81.1)
Total income funds		(76.6)	38.4	(80.3)
<b>Permanent endowment</b>	1,23	0.1	0.1	0.1
<b>Group funds</b>		(76.5)	38.5	(80.2)

The accounting policies and notes on pages 107 to 143 form part of these financial statements.

Approved and issued by the Board of Trustees on 10 August 2021.

  
**Dr Natalie-Jane Macdonald**  
 Chair

  
**Steve Gray**  
 Chief Executive Officer

Company number 00576970. Charity number in England and Wales 205533. Charity number in Scotland SCO41793.

Consolidated cash flow statement  
for the year ended 31 December 2020

	Notes	2020 £m	2019 £m
<b>Cash generated from operating activities</b>			
Before exceptional items		35.9	92.2
Exceptional items		(3.1)	(1.8)
	26	32.8	90.4
<b>Cash flows from investing activities</b>	27	(50.0)	(76.9)
<b>Cash flows from financing activities</b>	28	19.9	(8.3)
<b>Net increase in cash and cash equivalents</b>		2.7	5.2
Cash and cash equivalents at 1 January		4.4	(0.8)
<b>Cash and cash equivalents at 31 December</b>	30	7.1	4.4
<b>Reconciliation of net cash flow to movement in net debt</b>			
<b>Increase in cash and cash equivalents for the financial year</b>		2.7	5.2
Cash outflow from changes in debt and lease finance		(38.0)	(4.0)
Change in net debt resulting from cash flows	29	(35.3)	1.2
New finance leases	29	2.6	(0.9)
<b>Movement in net debt in the financial year</b>		(32.7)	0.3
<b>Net debt at 1 January</b>	29	(370.4)	(370.7)
<b>Net debt at 31 December</b>	29	(403.1)	(370.4)

The accounting policies and notes on pages 107 to 143 form part of these financial statements.

Accounting policies  
for the year ended 31 December 2020

a) Company information

Nuffield Health (Company number 00576970, Charity number in England and Wales 205533, Charity number in Scotland SCO41793) is a company limited by guarantee without share capital incorporated in the United Kingdom. The registered office is Epsom Gateway, Ashley Avenue, Epsom, Surrey, KT18 5AL. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Charity Member. There were 71 Members on 31 December 2020.

b) Basis of preparation

The financial statements have been prepared in accordance with UK accounting standards, including FRS 102 and the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except as modified to include the fair value basis for certain fixed asset investments, certain financial instruments and post-retirement defined benefits.

Nuffield Health is a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling which is the functional currency of the Group and rounded to the nearest hundred thousand.

The Charity has taken advantage of the reduced disclosure provisions of FRS 102, the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) and not disclosed its statement of cash flows.

c) Going concern

The Trustees believe the Charity will have adequate resources to continue in operational existence for the foreseeable future and, in accordance with section 3.8 of FRS 102, the Annual Report and financial statements for 2020 are prepared on a going concern basis. This assessment has been made in accordance with Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks 2016, and updated Guidance for companies on Corporate Governance and Reporting (4 Dec 2020) published by the UK Financial Reporting Council (FRC).

After reviewing the Group's forecasts and their accompanying risks, the Trustees have a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence for the foreseeable future and as a result they continue to adopt going concern basis in preparing the Annual Report and financial statements.

The forecast projections indicate that the Charity will continue to operate within banking covenants for the foreseeable future. The impact of further potential disruption has also been considered and the Trustees have reasonable expectation that the liquidity and headroom on covenants is sufficient to absorb such impact. Funding is in place for more than 12 months from the approval of the financial statements.

Further detail regarding going concern is disclosed in the financial sustainability review on pages 55-57.

d) Basis of consolidation

The Group financial statements consolidate the financial statements of the Charity and all its subsidiary undertakings drawn up to 31 December each year.

Subsidiaries are consolidated from the date of their acquisition, being the date the Group obtains control, and continue to be consolidated until the date control ceases. Control is achieved where the Group has the power to govern the undertaking's financial and operating policies so as to benefit from its activities.

Acquisitions of subsidiaries and businesses are consolidated using the purchase method. On acquisition of an undertaking, the undertaking's identifiable assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. Any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill.

Undertakings are deemed to be a joint venture when Nuffield Health has joint control of the rights and assets of the undertaking via either voting rights or a formal agreement which includes that unanimous consent is required for financial and operating decisions.

Joint ventures are consolidated under the equity accounting method. The business only recognises its share of profits or losses from any joint venture.

Accounting policies continued  
for the year ended 31 December 2020

All intra-Group transactions, balances, incomes and expenses are eliminated on consolidation.

Shares of subsidiary undertakings owned by non-Group companies are included within minority interest, except so far as there are obligations to the third parties that are likely to result in the purchase of those shares, in which case the discounted value of the expected purchase price is reported as a liability.

e) Significant judgements and estimates

The preparation of the financial statements requires the Trustees to make judgements and estimates and to select suitable accounting policies. The nature of the estimation means the actual outcomes could differ from those estimates. The following are items in the financial statements where significant judgements and estimates have been made.

Critical judgements in applying the Group's accounting policies

Judgements made by management include the presentation of exceptional items (note j), the assessment of asset lives and residual values (note p) and the classification of leases as operating or finance leases (note x). There were, however, no critical judgements made.

Key sources of estimation uncertainty  
Impairments of tangible fixed assets and computer software

Tangible fixed assets, computer software and goodwill are reviewed if events or changes of circumstances indicate that the carrying amount may not be recoverable. For this purpose, individual consumer fitness and wellbeing sites and hospitals are considered to be separate income generating units.

The impairment tests are based on the fair value arising from property valuations provided by a third party or value in use.

The value in use calculations use cash flow models derived from the budget and exclude significant future investments that will enhance the income generating unit's performance. The value in use method is subject to assumptions on the rate used to discount expected future cash flows and the growth rates used in the calculation. A long term growth rate of 3% was applied and the rate used to discount expected future cash

flows was 8.86%. Changes to the growth rate or discount rate could have a significant impact on the value of the impairment recorded.

Goodwill

The amount of goodwill initially recognised as a result of the purchase of a subsidiary or business is dependent on the allocation of the purchase price to the fair value of the identifiable assets and liabilities acquired. The determinations of the fair values and useful lives are based to a considerable extent on the Trustees' estimates. In general, the useful life of goodwill is less than those of the revalued tangible fixed assets.

Defined benefit pensions and other post-retirement benefits

In order to calculate the obligation under the defined benefit pension plans and post-retirement medical benefits, estimates are made of the present value of future costs using actuarial valuations. Due to the complexity of the valuation and the long-term nature of these plans, such estimates are subject to uncertainty. The most significant assumptions are the rate used to discount the obligations (based on the AA corporate bond yield curve that reflects the duration of the liabilities) and mortality rates, which are set out in note 8.

In 2016 the Charity entered into an asset backed funding arrangement with the Nuffield Health Pension and Life Assurance Scheme (the Scheme). It was concluded that the Scheme is a separate reporting entity to the Charity. Therefore the Charity's post-retirement defined benefit liabilities are less than the Group's by £80.5 million (2019 – £80.2 million) and the Charity has a pension liability for asset backed funding of the same amount. These are measured at their fair value using a valuation method with the payments and risk free discount rate being the major assumptions. Given these assumptions are subject to variation over time, it is possible that the fair value of the liability recognised by the Charity and the asset recognised by the Scheme could vary significantly in the future.

Onerous leases

The onerous lease assessment and impairment tests carried out periodically are dependent on estimates of future cash flows including potential recovery profile scenarios. There is significant judgement in estimating these cash flows as it requires assessment of cost inflation, market growth and competitor influences.

Accounting policies continued  
for the year ended 31 December 2020

The latest actual results and budget are used to establish the anticipated long-term profitability of the sites. Where appropriate, external experts are engaged to support the assessment. A long term growth rate of 3% was applied and the rate used to discount expected future cash flows was 0.66%. Changes to the growth rate or discount rate could have a significant impact on the value of the onerous lease provision recorded.

f) Funds

Unrestricted general funds are expendable at the discretion of the Trustees in furtherance of the objects of the Charity. The liability for post-retirement defined benefits is reported separately in the post-retirement reserve.

Restricted funds are subject to specific conditions imposed by the donors, and are within the objects of the Charity. These funds are transferred to unrestricted when the specific requirements of the donation and legacy are satisfied.

Permanent endowments are capital funds where the Trustees have no power to convert the capital into income. Only the income may be expended.

g) Income and turnover

Income from charitable activities comprises the value of services and goods supplied by the Group after deducting discounts and excluding value-added tax. These are as follows:

- ◆ Income from hospital and wellbeing clinical activities that are recognised when the treatment or good is provided
- ◆ Wellbeing membership income that is recognised evenly over the membership period. Joining fees, which are non-refundable, are recognised when received. Secondary income, including that from food and beverages and personal training, is recognised when delivered
- ◆ Income from management contracts for wellbeing services to employees, which are accounted on an accruals basis over the period that the service and price are agreed.

Turnover is income from charitable and other trading activities plus donations and legacies.

Donations are accounted for when receipt is probable, there is evidence of entitlement and it can be measured reliably. Legacies are included in the financial statements

when it is probable that the legacy will be received and the value can be reliably estimated.

Interest income is recognised on a time basis taking into consideration the principal outstanding and contractual interest rates.

h) Expenditure

Expenditure is classified using the headings in Charities SORP (FRS 102). The direct costs of providing services to patients and others are categorised as charitable activities. Support costs are the Group's central office costs and as such are indirect costs incurred in supporting the charitable activities. Governance costs comprise the expenditure associated with the strategic management of the Group and compliance with constitutional and statutory requirements. Where departments undertake support and governance activities, the costs are apportioned using an estimate of the time spent on each activity.

Interest payable, other than retirement benefit finance costs, is accrued using the effective interest method.

i) COVID-19 grants and reliefs

The Charity has taken advantage of various forms of Government assistance during 2020. The Charity applies the accruals method in accordance with paragraph 24.4 of FRS 102 as reliefs are claimed as compensation for expenses or losses already incurred, for the purpose of giving immediate financial support to the charity, with no future related costs. Grants are accounted for when receipt is probable, there is evidence of entitlement and it can be measured reliably.

Government grants

The Government Coronavirus Job Retention Scheme (CJRS) was introduced in 2020. The Charity continued to recognise the salary expense and additionally recognised the grant income in the Consolidated and Charity statement of financial activities in the period in which it becomes receivable.

The Retail, Hospitality and Leisure Grant Fund (RHLGF) is not time or performance related and is recognised in the financial statements at the point of entitlement in other income.

The two grants received are classed as restricted and fully utilised within the year, included as donations and legacies.

Accounting policies continued  
for the year ended 31 December 2020

Other reliefs

The treatment of additional funding received under the Coronavirus Large Business Interruption Loan Scheme (CLBILS) is consistent with accounting policies for financial instruments (note z) and interest (note h), as the Government support was to provide access to finance which may not have previously been available. The treatment of new funding is consistent with existing financial instruments.

The Charity has taken advantage of the business rates relief introduced by the Government, rent concessions and HMRC's time to pay arrangement.

Business rates relief is treated as an absent cost and the profit and loss account charge is reduced for the period of the relief within sites where rates relief was applicable.

Rent deferrals arranged with landlords as a result of the COVID-19 pandemic are classified as lease incentives whereby the leases are extended and the waiver is applied on a straight line basis over the life of the new lease.

Nuffield Health has made use of the UK Government's VAT deferral scheme by which VAT payments incurred between 20 March 2020 and 30 June 2020 will be repaid in instalments between March 2021 and January 2022. The liability is recognised as it is incurred and is recorded in social security and other taxes within creditors: amounts falling due within one year.

j) Exceptional items

Exceptional items are significant transactions either individually or in aggregate, of a similar type or event, that have arisen outside the Group's ordinary trading activities. They are disclosed separately to improve the understanding of the Group's underlying financial performance. This includes the accounting adjustments in relation to the onerous lease provision and the impairment of fixed assets. More detailed information is provided in note 5.

k) Termination benefits

Payments or other benefits arising from the termination of a person's employment are recognised as a liability and expensed when there is a detailed formal plan for the termination and there is no realistic possibility of the plan being withdrawn.

l) Financial derivatives

The Group enters into financial derivatives to manage its exposure to fluctuating interest rates but does not enter into speculative derivative contracts. Amounts payable or receivable in respect of interest rate derivatives are recognised as adjustments to interest payable over the period of the contracts.

Derivative contracts are initially measured at fair value on the date the contract is entered into and are subsequently measured at fair value through the Consolidated income statement and the Consolidated statement of financial activities. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The movement in the fair value of the interest rate derivatives is charged or credited to interest payable within the Consolidated statement of financial activities and the Consolidated income statement.

The fair value of the interest rate swaps is calculated using a valuation technique that takes into consideration observable interest rates for the period of the contracts.

m) Foreign currency

Group entities

Group entities and subsidiaries that have a different functional currency from the presentational currency are translated on consolidation into sterling as follows:

- ◆ Assets and liabilities at the closing rate
- ◆ Income and expenditure at the average exchange rate.

The exchange differences are recognised in the other recognised gains and losses section of the Consolidated statement of financial activities and in other comprehensive income in the Consolidated income statement.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. Exchange gains and losses resulting from the settlement of such transactions and from translation at the closing rate of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated income statement and the Consolidated statement of financial activities.

Accounting policies continued  
for the year ended 31 December 2020

n) Intangible fixed assets

Goodwill

Goodwill is measured at cost less accumulated amortisation and any accumulated impairment losses.

Positive goodwill is written off on a straight line basis over its expected useful life of between five and 20 years. If there is an indication that there is a significant change in amortisation rate, the amortisation is revised prospectively to reflect the new expectations.

A change in the value of contingent purchase consideration is recognised immediately as an adjustment to goodwill and written off on a straight line basis over its expected useful life from the date of the original purchase.

The Charity's goodwill includes the value of investments in certain subsidiaries in which the trade and assets have been transferred to the Charity.

Computer software

Computer software that is not an integral part of its related hardware is treated as an intangible fixed asset and is recognised only when it is probable that future benefits will flow to the Group and the cost can be measured reliably.

It is measured at cost less accumulated amortisation and any impairment losses. Cost includes internal project development costs.

Software development costs are recognised as an intangible asset when all the following conditions are met:

- ◆ It is technically and financially feasible to complete the development
- ◆ The intention is to complete the development and use the software
- ◆ It can be used when completed
- ◆ The costs can be measured reliably
- ◆ It is probable there will be future economic benefits to the Group.

Computer software is amortised over five years.

o) Tangible fixed assets and depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes that of dismantling and removing the item and restoring the site on which it is located, provided there is an obligation at the year end; or it is probable that there is an obligation which can be measured reliably.

The cost of new buildings, major extensions and refurbishments includes internal project development costs and interest incurred on borrowings to finance the development. All other development costs are written off in the year of expenditure.

Capitalised interest is calculated by applying a weighted average interest rate to the cost of new hospitals, major extensions and refurbishments in progress during the year.

Tangible fixed assets are transferred from assets in the course of construction at practical completion of the project.

No depreciation is charged while assets are in the course of construction; depreciation on assets in the course of construction commences at practical completion.

Depreciation on tangible fixed assets, other than freehold land which is not depreciated, is calculated on a straight line basis to write down the cost over their expected useful economic lives. The applicable periods are as follows:

Freehold buildings	Between 50 and 60 years, or the remaining useful life if less than 50 years
Leasehold properties	Over the period of the lease or remaining useful life
Furniture and equipment	Between 3 and 15 years
Motor vehicles	Between 4 and 5 years

Accounting policies continued  
for the year ended 31 December 2020

p) Estimation of useful lives and residual values of fixed assets

Intangible and tangible fixed assets are amortised or depreciated over their useful lives after taking into consideration their expected residual value. The useful lives and residual values are set at the time the assets are acquired. The lives are based on historical evidence of similar assets as well as anticipating the impact of future events that may affect their lives.

The estimated useful lives of the intangible fixed assets are set out in note n) and those for tangible fixed assets in note o). Historically, the surpluses or losses on disposal of fixed assets have been small.

q) Impairment of intangible and tangible fixed assets

At each reporting date, intangible and tangible fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of a possible impairment, the recoverable amount of the affected income generating unit or asset is estimated and compared with its carrying amount. An impairment loss is expensed immediately.

Impairments of tangible fixed assets and intangible fixed assets other than goodwill are reversed when a change in economic conditions or the expected use of an asset increases the recoverable amount of an impaired asset above its impaired carrying value. Impairment reversals are recognised in the Consolidated income statement and Consolidated statement of financial activities to the extent that they increase the carrying amount of the asset up to the amount that it would have been had the original impairment not occurred.

r) Purchase and disposal of properties

The purchase or disposal of a property is accounted for in the year in which an unconditional and irrevocable contract is exchanged.

s) Investments

Investments in subsidiaries are stated at cost, less provision for impairment within the Charity's financial statements.

Investments in joint ventures and associates are recorded using the equity method of accounting. Under the equity method, investments in joint ventures and associates are carried in the Balance sheet at cost and adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture or associate, less any provision for impairment in the value of investment.

Other investments are stated at market value at the Balance sheet date. Changes in market values are accounted for as net gains/(losses) on investments within the Consolidated statement of financial activities.

Most of the trade and assets of Health Club Investments Group Limited, Nuffield Proactive Health Group Limited and their subsidiaries were transferred to the Charity in prior years.

As a result of the hive-up on 31 July 2008, the carrying values of the investments in the subsidiaries were not supported by their net assets. However, the Charity did not suffer a loss in respect of these transactions. Accordingly, the investments not represented by the subsidiary's underlying assets have been treated as goodwill and will be amortised over their estimated useful lives of between 6 and 20 years.

t) Stocks

Stocks are stated at the lower of net realisable value and cost, where cost is weighted average cost.

Consignment stock is not included in the Balance sheet when the supplier retains the risk and reward of ownership. The risk and reward transfers to the Group when the asset is used or as the result of a contractual agreement.

u) Provisions for liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the Trustees' best estimate of the expenditure required to settle the obligation at the Balance sheet date. If such an obligation cannot be reliably estimated, no provision is recognised and the item is disclosed as a contingent liability where material.

Accounting policies continued  
for the year ended 31 December 2020

Where the effect is material, the provision is determined by discounting the expected future cash flows and the unwinding of the discount is recognised as an interest cost in the Consolidated income statement and Consolidated statement of financial activities.

A provision for the present value of future property reinstatement costs is recognised where there is an obligation to return the leased property to its original condition at the end of an operating lease. Where a leased property is no longer expected to be fully occupied, or where the costs exceed the future expected benefits, an onerous lease provision will be recognised for that portion of the lease in excess to the Group's requirements and not fully recovered through alternative use, or through value in use.

The provisions for dilapidations are recognised at the time of entering property leases when it is probable that there is an obligation and it can be measured reliably or at the first date the conditions are met.

v) Defined benefit pension schemes and other post-retirement benefits

Scheme assets are measured at fair values.

Scheme liabilities are measured annually on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates of equivalent currency and term of the scheme liabilities. The net surplus or deficit is presented separately from other net assets on the Balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Group.

The current service cost and costs from settlements and curtailments are charged against operating surplus.

The net interest on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate as determined at the start of the reporting period and taking account of any changes in the net defined benefit liability during the period as a result of contributions and benefit payment. The discount rate is based on the yield curve of high quality corporate bonds.

Actuarial gains and losses and returns on plan assets, excluding amounts included in net interest on the net defined benefit liability, are reported as recognised gains and losses in the Consolidated statement of financial activities.

w) Defined contribution pension schemes

Contributions to defined contribution schemes are charged to the Consolidated income statement and Consolidated statement of financial activities in the period in which they become payable.

x) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Assets held under finance leases and hire purchase contracts are recognised initially at the lower of the fair value of the asset or the present value of the minimum payments at the inception of the contract. The corresponding liability to the lessor is included in the Balance sheet as a finance lease obligation. Lease payments are apportioned between the reduction in lease obligation and interest using the effective interest method so as to achieve a constant rate of interest on the remaining portion of the lease obligation.

The assets held under finance leases and hire purchase agreements are included in tangible fixed assets, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals paid under operating leases are charged to the Consolidated income statement and the Consolidated statement of financial activities on a straight line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation or adjusted to the open market value, in which case the Group rent expense equals the amounts owed to the lessor.

The benefits of lease incentives are recognised as a reduction to the rental expense over the lease term on a straight line basis.

Rentals receivable from operating leases are accounted for on a straight line basis over the lease term.

## Accounting policies continued

for the year ended 31 December 2020

### y) Taxation

The Charity is exempt from UK corporate taxation on its income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that the income and gains are applied for charitable purposes. No corporation tax charges arose for the Charity during the year (2019: £Nil). The non-charitable subsidiaries are subject to corporation tax. Due to the subsidiaries' policy to donate any taxable profits to the Nuffield Health Charity by way of Gift Aid, no liabilities arose (2019: £Nil).

VAT is recovered on the basis of an agreed partial exemption special method with HMRC. Due to the high level of VAT exempt sales, mainly through healthcare provision and sporting memberships provided by a charity, there is a high level of irrecoverable VAT within the organisation. Any irrecoverable VAT is charged to the Consolidated statement of financial activities when the expenditure to which it relates is incurred (subject to a VAT group annual adjustment), and is allocated as part of the expenditure to which it relates.

The Charity also benefits from business rates relief up to 100% in relation to the properties that it occupies for charitable purposes.

### z) Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for evidence of impairment. An impairment loss is recognised in the Consolidated income statement and Consolidated statement of financial activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the Balance sheet date.

The financial liability arising from the asset backed funding agreement with the pension fund is stated at its fair value. A valuation technique is used as there is no readily ascertainable market price. The valuation method incorporates a risk free discount rate to reflect the timing of the payments, an option pricing element to value the contingent payments and solvency likelihood to take into consideration the different payment scenarios. Any gains or losses arising on remeasurement are recognised in the Charity statement of financial activities.

## Notes to the financial statements

for the year ended 31 December 2020

### 1. Fund analysis

Group	Permanent £m	Restricted £m	Unrestricted £m	2020 Total £m	Permanent £m	Restricted £m	Unrestricted £m	2019 Total £m
<b>Total income</b>								
Donations and legacies including government grants	–	44.8	–	44.8	–	–	0.1	0.1
Other sources of income	–	0.3	734.8	735.1	–	–	993.2	993.2
Total incoming resources	–	45.1	734.8	779.9	–	–	993.3	993.3
Total expenditure	–	–	(872.3)	(872.3)	–	–	(1,008.3)	(1,008.3)
<b>Net expenditure</b>	–	45.1	(137.5)	(92.4)	–	–	(15.0)	(15.0)
Other recognised losses	–	–	(22.6)	(22.6)	–	–	(10.7)	(10.7)
Transfer between funds	–	(45.1)	45.1	–	–	–	–	–
<b>Net movement in funds</b>	–	–	(115.0)	(115.0)	–	–	(25.7)	(25.7)
Fund balance at 1 January	0.1	0.8	37.6	38.5	0.1	0.8	63.3	64.2
<b>Fund balance at 31 December</b>	<b>0.1</b>	<b>0.8</b>	<b>(77.4)</b>	<b>(76.5)</b>	<b>0.1</b>	<b>0.8</b>	<b>37.6</b>	<b>38.5</b>

Charity	Permanent £m	Restricted £m	Unrestricted £m	2020 Total £m	Permanent £m	Restricted £m	Unrestricted £m	2019 Total
<b>Total income</b>								
Donations and legacies including government grants	–	44.3	–	44.3	–	–	0.1	0.1
Other sources of income	–	0.3	733.6	733.9	–	–	989.6	989.6
Total incoming resources	–	44.6	733.6	778.2	–	–	989.7	989.7
Total expenditure	–	–	(871.3)	(871.3)	–	–	(1,004.9)	(1,004.9)
<b>Net expenditure</b>	–	44.6	(137.7)	(93.1)	–	–	(15.2)	(15.2)
Other recognised losses	–	–	(22.6)	(22.6)	–	–	(10.7)	(10.7)
Transfer between funds	–	(44.6)	44.6	–	–	–	–	–
<b>Net movement in funds</b>	–	–	(115.7)	(115.7)	–	–	(25.9)	(25.9)
Fund balance at 1 January	0.1	0.8	34.6	35.5	0.1	0.8	60.5	61.4
<b>Fund balance at 31 December</b>	<b>0.1</b>	<b>0.8</b>	<b>(81.1)</b>	<b>(80.2)</b>	<b>0.1</b>	<b>0.8</b>	<b>34.6</b>	<b>35.5</b>

The grant income received is classed as restricted and fully utilised within the year.

The Retail, Hospitality and Leisure Fund Grant of £0.3 million (2019 – £Nil) is included within donations and legacies.

## Notes to the financial statements continued

for the year ended 31 December 2020

### 2. Turnover and income analysis

Group	2020 £m	2019 £m
Hospital services	557.2	621.8
Wellbeing services	172.9	367.7
<b>Net income from charitable activities</b>	<b>730.1</b>	<b>989.5</b>
Donations	–	0.1
Furlough grant income – restricted	44.8	–
Other grant income – restricted	0.3	–
Other non-trading income	2.5	–
Other trading Income	1.8	3.2
<b>Turnover</b>	<b>779.5</b>	<b>992.8</b>
Income from investments	0.4	0.5
<b>Total income</b>	<b>779.9</b>	<b>993.3</b>

Charity	2020 £m	2019 £m
Hospital services	557.2	621.8
Wellbeing services	173.5	367.7
<b>Net income from charitable activities</b>	<b>730.7</b>	<b>989.5</b>
Donations	–	0.1
Furlough grant income – restricted	44.3	–
Other grant income – restricted	0.3	–
Other non-trading income	2.5	–
<b>Turnover</b>	<b>777.8</b>	<b>989.6</b>
Income from investments	0.4	0.1
<b>Total income</b>	<b>778.2</b>	<b>989.7</b>

The Retail, Hospitality and Leisure Grant Fund claimed from local authorities following the closure of consumer sites in England of £0.3 million (2019 – £Nil) was recognised in grant income.

## Notes to the financial statements continued

for the year ended 31 December 2020

### 3. Expenditure on charitable activities

Group	Notes	Direct activities		Support costs		Total	
		2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m
<b>Continuing activities</b>							
<b>Normal</b>							
Staff and related costs		277.1	332.5	49.1	61.2	326.2	393.7
Furlough grant staff costs		40.8	–	3.5	–	44.3	–
Third party fees		96.1	141.8	–	–	96.1	141.8
Supply costs		93.6	128.5	–	–	93.6	128.5
Depreciation and amortisation		60.4	65.0	18.2	18.6	78.6	83.6
Other costs		154.4	171.5	48.1	54.3	202.5	225.8
		722.4	839.3	118.9	134.1	841.3	973.4
Support costs allocated to direct activities		90.3	90.4	(90.3)	(90.4)	–	–
After recharge		812.7	928.9	28.6	43.7	841.3	972.6
<b>Exceptional</b>							
Reorganisation and transformation costs	5	1.4	–	1.3	6.1	2.7	6.1
Impairment of fixed assets	5	(7.4)	14.2	–	–	(7.4)	14.2
Onerous lease provision	5	14.1	(4.3)	–	–	14.1	(4.3)
Aborted project spend	5	0.4	–	–	–	0.4	–
Other costs	5	(0.5)	–	–	(2.2)	(0.5)	(2.2)
Pension costs	5	–	–	0.2	–	0.2	–
<b>Total exceptional</b>		<b>8.0</b>	<b>9.9</b>	<b>1.5</b>	<b>3.9</b>	<b>9.5</b>	<b>13.8</b>
<b>Expenditure on charitable activities</b>		<b>820.7</b>	<b>939.6</b>	<b>30.1</b>	<b>47.6</b>	<b>850.8</b>	<b>987.2</b>

The support costs transferred to direct activities are divisional office and support centre costs that are incurred in delivering or managing the delivery of services.

## Notes to the financial statements continued

for the year ended 31 December 2020

### 3. Expenditure on charitable activities continued

Charity	Notes	Direct activities		Support costs		Total	
		2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m
<b>Continuing activities</b>							
<b>Normal</b>							
Staff and related costs		277.1	332.7	51.0	61.2	328.1	393.9
Furlough grant costs – restricted		40.8	–	3.5	–	44.3	–
Third party fees		96.1	142.1	–	–	96.1	142.1
Supply costs		93.6	128.0	–	–	93.6	128.0
Depreciation and amortisation		60.5	65.0	17.7	18.6	78.2	83.6
Other costs		154.6	173.5	48.3	55.8	202.9	229.3
		722.7	841.4	120.5	135.6	843.2	976.9
Support costs allocated to direct activities		90.3	90.4	(90.3)	(90.4)	–	–
After recharge		813.0	930.8	30.2	45.2	843.2	976.9
<b>Exceptional</b>							
Reorganisation and transformation costs	5	1.4	–	1.3	6.1	2.7	6.1
Impairment of fixed assets	5	(7.4)	14.2	–	–	(7.4)	14.2
Onerous lease provision	5	14.1	(4.3)	–	–	14.1	(4.3)
Aborted project spend		0.4	–	–	–	0.4	–
Other costs	5	(0.5)	–	–	(2.2)	(0.5)	(2.2)
Pension costs	5	–	–	0.2	–	0.2	–
<b>Total exceptional</b>		8.0	9.9	1.5	3.9	9.5	13.8
<b>Expenditure on charitable activities</b>		821.0	941.6	31.7	49.1	852.7	990.7

	Group		Charity	
	2020 £m	2019 £m	2020 £m	2019 £m
Hospitals	513.4	598.7	513.5	602.3
Wellbeing services	337.4	388.5	339.2	388.4
	850.8	987.2	852.7	990.7

The support costs transferred to direct activities are divisional office and support centre costs that are incurred in delivering or managing the delivery of services. Support costs have been allocated to Hospitals and Wellbeing services based upon the 2020 revenue derived from each of these segments.

The restricted staff and related costs include £44.3 million costs incurred in relation to employees furloughed during the COVID-19 pandemic. The Charity continued to incur an employee charge to reflect 100% of salary costs of any furloughed employees, amounting to £8.5 million (2019 – £Nil).

## Notes to the financial statements continued

for the year ended 31 December 2020

### 4. Governance costs

	Notes	2020 £m	2019 £m
Staff and related costs		2.0	2.5
Other costs		1.2	1.5
		3.2	4.0

Governance costs are included within support costs in note 3.

### 5. Exceptional items

The total exceptional items charge of £9.5 million (2019 – £13.8 million) is analysed and categorised in the Income statement as follows:

Group and Charity	2020 £m	2019 £m
<b>Cost of services</b>		
Impairment of fixed assets	(7.4)	14.2
Onerous lease provision	14.1	(4.3)
	6.7	9.9
<b>Support costs</b>		
Reorganisation and transformation costs	2.7	6.1
Aborted project spend	0.4	–
Pension costs	0.2	–
Other costs	(0.5)	(2.2)
	2.8	3.9
<b>Total exceptional items</b>	9.5	13.8

#### Impairment of tangible assets

Following the closure of the consumer estate as a result of the 2020 COVID-19 pandemic, an impairment review of the assets was undertaken. At the year end, net reversal of prior period impairment charges of £7.4 million (2019 – net charge £14.2 million) were recorded, to increase the carrying value of the consumer assets. The reversal of impairment charges of £7.4 million relate entirely to consumer sites where an onerous lease provision exists (2019 – £6.9 million impairment charge).

#### Onerous lease provision

Following the onerous lease assessment at the year end, a £14.1 million adjustment was made to the onerous lease provision, resulting in a credit to exceptional costs (2019 – £4.3 million charge).

#### Reorganisation and transformation costs

The business has continued with its reorganisation and transformation aimed at improving the way Nuffield Health provides holistic healthcare to customers and to standardise activities supported by improved systems. The support services transformation programme bringing non-customer facing activities and capabilities together centrally, providing a number of key enabling frameworks, was paused at the end of Q1 following the COVID-19 pandemic and lockdown introduced by the Government. The transformation programme will continue into 2021.

## Notes to the financial statements continued

for the year ended 31 December 2020

### 5. Exceptional items continued

This has resulted in the redeployment or redundancy of certain teams across the organisation amounting to £1.4 million (2019 – £5.1 million) and additional non-staff expenditure in relation to the programme of £1.3 million (2019 – £1.0 million).

#### Other

The Charity identified a liability with key supply contracts in 2018 for which a provision was raised. The matter is resolved and the remaining provision of £0.5 million is no longer required. The prior year includes the release of a £1.9 million provision relating to contractual liabilities on certain legacy contracts, which was released as the review concluded.

### 6. Operating surplus

This is stated after charging or crediting:

	Notes	2020 £m	2019 £m
Amounts payable to auditor:			
Audit fees payable		0.5	0.3
Fees payable for other services		0.1	0.2
Depreciation on tangible fixed assets:			
On owned assets		50.4	53.0
On assets held under finance leases and hire purchase contracts		1.9	21.0
Exceptional impairment of tangible fixed assets	5	(7.4)	14.2
Loss on disposal of tangible fixed assets		(1.5)	1.0
Amortisation of intangible fixed assets	13	25.5	28.5
Hire of plant and machinery (including operating lease charges)		9.4	9.5
Property operating lease rentals		57.4	54.1
Rental income from operating leases		(0.6)	(1.0)
Third party indemnity insurance		1.2	1.3
Exceptional onerous lease provision	5	14.1	(4.3)
		<b>151.0</b>	177.8

Fees payable by the Charity for the audit of the annual accounts of the Charity amounted to £396,000 (2019 – £270,000) and of its subsidiaries amounted to £61,140 (2019 – £28,000). Fees payable for other services amounted to £84,960 (2019 – £167,000) mainly relating to tax advisory services. Fees paid to Deloitte LLP for non-audit services to the charitable company itself are not disclosed in these accounts because the charitable company's consolidated accounts are required to disclose such fees on a consolidated basis.

Indemnity insurance for the Trustees and officers amounted to £109,109 (2019 – £42,743).

A reconciliation from operating surplus to adjusted earnings before interest, tax, depreciation and amortisation is as follows:

	Notes	2020 £m	2019 £m
<b>Total operating (deficit)/surplus before interest and tax</b>		<b>(74.1)</b>	2.1
Add back: Depreciation and amortisation (excl. exceptional depreciation)		<b>78.6</b>	83.6
Exceptional Items	5	<b>9.5</b>	13.8
Adjusted earnings before interest, tax, depreciation and amortisation		<b>14.0</b>	99.5

## Notes to the financial statements continued

for the year ended 31 December 2020

### 7. Net interest payable and similar income

	Group		Charity	
	2020 £m	2019 £m	2020 £m	2019 £m
<b>Interest receivable</b>	<b>0.4</b>	0.5	<b>0.1</b>	0.1
<b>Interest payable</b>				
Bank loans and overdraft	(7.9)	(8.1)	(7.9)	(8.1)
Senior secured loan notes	(5.7)	(5.4)	(5.7)	(5.4)
Finance (charges)/credit in respect of finance leases	(0.2)	1.2	(0.2)	1.2
Finance charges in respect of pension liability for asset backed funding	–	–	(0.2)	(4.0)
Other interest payable	(0.7)	(1.0)	(0.5)	(0.8)
Costs in connection with loan facilities	(2.1)	(1.3)	(2.1)	(1.3)
	<b>(16.6)</b>	(14.6)	<b>(16.6)</b>	(18.4)
Retirement benefit finance costs	(2.1)	(2.6)	(2.1)	(2.6)
Total interest payable	<b>(18.7)</b>	(17.2)	<b>(18.7)</b>	(21.0)
<b>Movement in fair value of derivatives</b>				
Opening fair value of interest rate derivative	(0.6)	(0.2)	8.8	1.9
Closing fair value of interest rate derivative	(0.6)	(0.6)	8.9	8.8
Fair value movement	–	(0.4)	0.1	6.9
<b>Interest payable and movement in fair values</b>	<b>(18.7)</b>	(17.6)	<b>(18.6)</b>	(14.1)
<b>Net interest payable and similar income</b>	<b>(18.3)</b>	(17.1)	<b>(18.5)</b>	(14.0)

### 8. Defined benefit pensions and other post-retirement benefits

The Group's funded defined benefit pension scheme is closed to future contributions. Previously, the Group operated one unfunded defined benefit pension scheme. The assets of the funded scheme are administered by Trustees in funds independent from the assets of the Group. The Group also provides post-retirement healthcare benefits to some of its employees. These benefit schemes are also closed to new entrants.

Nuffield Health is the sponsoring employer of the defined benefit pension schemes and the post-retirement healthcare benefits and has legal responsibility for the plans. There is no contractual arrangement or policy for charging the net defined benefit costs to individual Group entities and therefore the Charity has recognised the entire net benefit cost and the relevant net defined benefit liability in its individual financial statements.

The most recent formal actuarial valuation of the Nuffield Health Pension and Life Assurance Scheme (the Scheme), a defined benefit pension scheme, was carried out as at 31 March 2018. This valuation was carried out by the Scheme actuary, Adam Stanley of XPS Pensions Limited. The principal assumptions made by the actuary are set out in the Scheme's statement of funding principles dated 4 June 2019, which were agreed by the Trustee of the Scheme and Nuffield Health as part of the 31 March 2018 valuation. The actuarial valuation as at 31 March 2021 is currently in progress, with the statutory deadline for completion of 30 June 2022.

As at 31 March 2018, the present value of the Scheme's assets was sufficient to cover 96% of the actuarial value of the benefits that had accrued to the members after allowing for assumed future increases to deferred pensions and pensions currently in payment.

The level of employer contributions in the year totalled £2.2 million (2019 – £3.1 million).

## Notes to the financial statements continued

for the year ended 31 December 2020

### 8. Defined benefit pensions and other post-retirement benefits continued

The employer and the Trustee of the Scheme entered into an asset backed funding arrangement in March 2016 by which the freehold of the Nuffield Health Oxford Hospital (The Manor) was transferred to a Scottish Limited Partnership, with both parties being limited partners. This gives the Scheme a secured asset should the Charity become insolvent. As a part of this arrangement, it is agreed that the employer's contribution from 1 April 2016 for the next six years will be £2.0 million per year and £4.0 million per year thereafter plus administration costs that were estimated to be £0.7 million per year. These contributions were allowed for in the recovery plan agreed by the Trustee and Nuffield Health as part of the 2018 actuarial valuation – this plan aims to remove the 31 March 2018 deficit over a period of 10 years, i.e. by 31 March 2028. The recovery plan will be reviewed as part of the actuarial valuation as at 31 March 2021. During the COVID-19 pandemic it was agreed with the Trustee to defer £0.5 million employer contribution and £0.1 million administration costs to 2021.

The defined accrued benefits method is used to value the liabilities of the defined benefit pension scheme. Scheme assets are stated at their market values at the respective Balance sheet dates.

The main assumptions are:

	2020 % pa	2019 % pa
Rate of increase in medical inflation	4.4	4.0
Rate of increase for pension in payment pre 1 August 2005 service	3.3	3.2
Rate of increase for pensions in payment post 31 July 2005 service	2.1	2.0
Rate of increase for deferred pensions	2.3	2.1
Discount rate (yield curve basis)	1.4	2.1
Inflation rate (CPI)	2.3	2.1

The post-retirement mortality assumptions used to value the benefit obligation mortality tables are based on S2PA at 31 December 2020 and 31 December 2019. Assumed life expectancies on retirement at age 65 are:

	2020 Years	2019 Years
Retiring today		
Males	22.0	22.0
Females	23.9	23.9
Retiring in 20 years' time		
Males	23.7	23.7
Females	25.4	25.4

The returns on the plan assets are:

	2020 % pa	2019 % pa
Growth assets	5.0	11.4
Matching assets	26.1	11.8

## Notes to the financial statements continued

for the year ended 31 December 2020

The amounts charged to the Consolidated income statement and Consolidated statement of financial activities were:

	Note	Defined benefit pension funds		Retirement healthcare		Total	
		2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m
<b>Operating surplus</b>							
Administrative costs		1.0	0.8	–	–	1.0	0.8
Current service and settlement costs		–	–	–	–	–	–
		1.0	0.8	–	–	1.0	0.8
<b>Exceptional</b>	5	0.2	–	–	–	0.2	–
<b>Net interest (receivable)/payable</b>							
Interest on schemes' assets		(7.8)	(10.3)	–	–	(7.8)	(10.3)
Interest on schemes' liabilities		9.7	12.7	0.1	0.1	9.8	12.8
<b>Total charged to finance expenses</b>		1.9	2.4	0.1	0.1	2.0	2.5
<b>Total charged to net income</b>		3.1	3.2	0.1	0.1	3.2	3.3

The total Group actuarial gains on defined benefit retirement schemes and retirement healthcare are as follows:

	2020 £m	2019 £m
Actual return on schemes' assets	49.7	40.0
Less interest on schemes' assets	(7.8)	(10.3)
	41.9	29.7
On obligations – interest costs	(64.5)	(40.4)
<b>Net actuarial loss on defined benefit retirement schemes</b>	<b>(22.6)</b>	<b>(10.7)</b>

The amounts recognised in the Group Balance sheet are as follows:

	Defined benefit pension funds		Retirement healthcare		Total	
	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m
Growth assets	297.8	277.8	–	–	297.8	277.8
Matching assets including liability hedge	122.8	105.9	–	–	122.8	105.9
Other assets	1.9	3.0	–	–	1.9	3.0
	422.5	386.7	–	–	422.5	386.7
Present value of funded obligations	(540.8)	(481.7)	–	–	(540.8)	(481.7)
	(118.3)	(95.0)	–	–	(118.3)	(95.0)
Present value of unfunded obligations	(2.9)	(2.8)	(3.5)	(3.6)	(6.4)	(6.4)
Net liabilities	(121.2)	(97.8)	(3.5)	(3.6)	(124.7)	(101.4)

## Notes to the financial statements continued

for the year ended 31 December 2020

### 8. Defined benefit pensions and other post-retirement benefits continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension funds		Retirement healthcare		Total	
	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m
Opening defined benefit obligations	(484.4)	(446.9)	(3.6)	(3.9)	(488.0)	(450.8)
Benefits paid	15.3	15.8	0.2	0.2	15.5	16.0
Interest cost	(9.8)	(12.7)	(0.1)	(0.1)	(9.9)	(12.8)
Actuarial (losses)/gains	(64.5)	(40.6)	–	0.2	(64.5)	(40.4)
Past service costs	(0.2)	–	–	–	(0.2)	–
Closing defined benefit obligations	(543.6)	(484.4)	(3.5)	(3.6)	(547.1)	(488.0)

The cumulative actuarial losses recognised in the Statement of financial activities at 31 December 2020 were £160.3 million (2019 – £137.7 million)

Changes in the fair value of the post-retirement funds' assets are as follows:

	Defined benefit pension funds		Retirement healthcare		Total	
	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m
Open fair value of plan assets	386.6	360.4	–	–	386.6	360.4
Interest income	7.8	10.3	–	–	7.8	10.3
Actuarial gains	42.0	29.7	–	–	42.0	29.7
Contributions paid	2.3	2.9	0.2	0.2	2.5	3.1
Scheme administrative costs	(1.0)	(0.8)	–	–	(1.0)	(0.8)
Benefits paid	(15.3)	(15.8)	(0.2)	(0.2)	(15.5)	(16.0)
<b>Closing fair value of plan assets</b>	<b>422.4</b>	<b>386.7</b>	<b>–</b>	<b>–</b>	<b>422.4</b>	<b>386.7</b>

#### Charity

The Charity and Nuffield Health Pension and Life Assurance Scheme (the Scheme) entered into an asset backed funding arrangement in 2016 by which the Nuffield Health Oxford Hospital (The Manor) was sold to and leased back from Nuffield Health Scottish Limited Partnership.

The arrangement results in the Charity having irrevocable cash flow obligations to the Scheme and the Scheme's assets increasing by the same amount. The cash flows are recorded at their fair value, which at the end of the financial year is £80.5 million (2019 – £80.2 million). As these obligations are due to other members of the Group, no liability has been recognised within the Consolidated financial statements.

At the end of 2020, the Charity's net post-retirement defined benefit liability is £44.2 million (2019 – £21.2 million). The pension liability for asset backed funding due within one year is £4.7 million (2019 – £0.6 million) and due after one year is £75.8 million (2019 – £79.6 million).

## Notes to the financial statements continued

for the year ended 31 December 2020

### 9. Defined contribution pension schemes

	2020 £m	2019 £m
The amounts charged to the income and expenditure account and statement of financial activities	10.0	10.5
Contributions owing to the pension schemes at 31 December	2.0	1.9

The number of employees in defined contribution pension schemes at year end was 10,282 (2019 – 11,407)

### 10. Trustee remuneration

The Trustees are the same as Directors under company law. Remuneration was paid in relation to services provided as Trustees of the Charity, as per the Nuffield Health Articles of Association clauses 4.1 to 4.4.

	2020 £	2019 £
<b>Emoluments paid to the Trustees:</b>		
Mr R S M Hardy (resigned 30 June 2020)	40,000	61,000
Mr M W Bryant	47,000	47,000
Mr P G McCracken (resigned 30 June 2019)	–	20,000
Ms F E Driscoll (resigned 30 June 2019)	–	18,000
Mr P Figgis	33,000	33,000
Mr D W Lister	39,000	39,000
Ms N Macdonald	46,000	33,000
Mr S Maslin	39,000	39,000
Mr N Sachdev	35,000	35,000
Dame L Homer (appointed on 1 February 2019)	38,000	32,000
Mr V O Adebawale (appointed on 26 June 2019)	30,000	16,000
	<b>347,000</b>	<b>373,000</b>

The total value of money purchase pension contributions by the Trustees is £10,908 (2019 – £12,343). Travel and subsistence paid on behalf of or reimbursed to all the Trustees was £5,602 (2019 – £15,532) in the year.

### 11. Employees

	Number	2020 FTE	Number	2019 FTE
<b>Average number of employees:</b>				
Hospital	7,071	4,520	6,899	4,315
Wellbeing	7,548	4,076	7,776	4,272
Support	1,133	1,019	1,128	1,053
<b>Total</b>	<b>15,752</b>	<b>9,615</b>	<b>15,803</b>	<b>9,640</b>

The employees are classified into the categories where the related costs are finally charged. The Charity utilised the Government Coronavirus Job Retention Scheme introduced in 2020 and continued to recognise the salary expense and additionally recognise the grant income in the profit and loss in the period in which it becomes receivable. The Charity continued to incur an employee charge to reflect 100% of salary costs of any furloughed employees, amounting to £8.5 million.

## Notes to the financial statements continued

for the year ended 31 December 2020

### 11. Employees continued

	Notes	2020 £m	2019 £m
<b>Staff costs during the year:</b>			
Wages and salaries		324.6	337.6
Social security costs		26.3	26.8
Defined benefit scheme administrative costs	8	1.0	0.8
Defined contribution	9	10.0	10.5
Agency costs		10.4	15.5
		372.3	391.2

	Charged to Consolidated statement of financial activities		Accrued at year end	
	2020 £m	2019 £m	2020 £m	2019 £m
<b>Termination benefits</b>				
<b>Staff costs during the year:</b>				
Individual redundancy and terminations	0.7	0.6	–	–
Associated with exceptional reorganisations	2.7	5.1	1.4	4.6
	3.4	5.7	1.4	4.6

The emoluments of the higher paid employees fell within the ranges indicated below. These emoluments include any bonuses payable, redundancy payments (see note 5) and settlement agreement payments but exclude pension contributions.

## Notes to the financial statements continued

for the year ended 31 December 2020

	2020 Number	2019 Number
£60,000 to £69,999	122	133
£70,000 to £79,999	77	87
£80,000 to £89,999	44	55
£90,000 to £99,999	22	36
£100,000 to £109,999	23	22
£110,000 to £119,999	12	9
£120,000 to £129,999	15	14
£130,000 to £139,999	4	6
£140,000 to £149,999	6	4
£150,000 to £159,999	6	6
£160,000 to £169,999	3	5
£170,000 to £179,999	1	4
£180,000 to £189,999	1	7
£190,000 to £199,999	–	5
£200,000 to £209,999	–	3
£210,000 to £219,999	1	1
£220,000 to £229,999	–	1
£230,000 to £239,999	–	1
£240,000 to £249,999	–	3
£250,000 to £259,999	1	–
£260,000 to £269,999	1	–
£270,000 to £279,999	1	–
£280,000 to £289,999	1	–
£360,000 to £369,999	1	1
£390,000 to £399,999	–	1
£430,000 to £439,999	–	1
£450,000 to £459,999	–	1
£460,000 to £469,999	–	1
£480,000 to £489,999	–	1
£490,000 to £499,999	–	1
£520,000 to £529,999	1	–
£930,000 to £939,999	–	1

The total emoluments and employee benefits for the Executive Managers, who are the key management personnel, in the year was £2.3 million (2019 – £3.4 million). The highest paid individual in 2020 (excluding termination pay) was the Chief Executive Officer, Steve Gray (2019 – Steve Gray).

	2020 £m	2019 £m
Employer contributions towards defined contribution pension schemes for higher paid employees	2.9	2.7

## Notes to the financial statements continued

for the year ended 31 December 2020

### 11. Employees continued

	2020 Number	2019 Number
Number of higher paid employees to whom retirement benefits are accruing under the defined contribution pension scheme	432	374

### 12. Tax on deficit on ordinary activities

	Group		Charity	
	2020 £m	2019 £m	2020 £m	2019 £m
<b>Current tax</b>				
United Kingdom corporation tax at 19% (2019 – 19%) by subsidiaries	–	–	–	–

The parent company is a charity and is not subject to tax because its charitable activities are exempt from tax.

The subsidiary undertakings have tax losses available to carry forward against future taxable profits or sufficient shareholder funds to Gift Aid taxable profits to the Charity. No deferred taxation asset has been recognised within the financial statements at 31 December 2020 (2019 – £Nil) in respect of these losses because they are unlikely to be recovered.

### 13. Intangible fixed assets

	Group				Charity			
	Goodwill £m	Assets in the course of construction £m	Computer software £m	Total £m	Goodwill £m	Assets in the course of construction £m	Computer software £m	Total £m
<b>Cost</b>								
At 1 January 2020	116.2	4.5	142.7	263.4	117.4	4.5	142.7	264.6
Additions	–	12.7	5.1	17.8	–	12.7	5.1	17.8
Transfers	–	7.1	9.2	16.3	–	7.1	9.3	16.4
<b>At 31 December 2020</b>	116.2	24.3	157.0	297.5	117.4	24.3	157.1	298.8
<b>Amortisation and impairment</b>								
At 1 January 2020	(70.3)	–	(91.9)	(162.2)	(71.3)	–	(91.9)	(163.2)
Charge for the year	(8.5)	–	(17.0)	(25.5)	(8.6)	–	(17.0)	(25.6)
Impairment	–	–	(0.5)	(0.5)	–	–	(0.5)	(0.5)
<b>At 31 December 2020</b>	(78.8)	–	(109.4)	(188.2)	(79.9)	–	(109.4)	(189.3)
<b>Net book value at 31 December 2020</b>	37.4	24.3	47.6	109.3	37.5	24.3	(47.7)	109.5
<b>Net book value at 31 December 2019</b>	45.9	4.5	50.8	101.2	46.1	4.5	50.8	101.4

In the prior year, the business conducted a review of its fixed assets and their classification. As a result of the review, a reclassification of cost and amortisation within certain categories was made to reflect this change in classification of assets. There was no impact on the carrying value of these assets.

## Notes to the financial statements continued

for the year ended 31 December 2020

Goodwill is the difference between the cost of purchase and the fair value of the assets and liabilities attributed to the purchase less any accumulated impairment losses.

Additions during the year included capitalised internal project development costs of £3.2 million (2019 – £7.1 million). The internal project development costs capitalised to date are £30.6 million (2019 – £27.3 million).

### 14. Tangible fixed assets

	Group					
	Assets in the course of construction £m	Freeholds £m	Long Lease £m	Short Lease £m	Equipment £m	Total £m
<b>Cost</b>						
At 1 January 2020	40.1	268.1	61.0	84.4	645.1	1,098.7
Additions at cost	25.6	0.2	–	3.1	2.2	31.1
Transfers	(16.3)	0.1	–	–	(0.1)	(16.3)
Disposals	(0.9)	(0.2)	–	–	(5.7)	(6.8)
<b>At 31 December 2020</b>	48.5	268.2	61.0	87.5	641.5	1,106.7
<b>Depreciation and impairment</b>						
At 1 January 2020	–	(109.1)	(19.1)	(35.5)	(444.5)	(608.2)
Charge for the year	–	(5.5)	(1.9)	(10.1)	(34.9)	(52.4)
Disposals	–	–	–	–	1.9	1.9
Impairment	–	–	8.9	–	(1.5)	7.4
<b>At 31 December 2020</b>	–	(114.6)	(12.1)	(45.6)	(479.0)	(651.3)
<b>Net book value at 31 December 2020</b>	48.5	153.6	48.9	41.8	162.5	455.4
<b>Net book value at 31 December 2019</b>	40.1	159.0	41.9	48.9	200.6	490.5

The amount on which depreciation on freehold buildings is being calculated is £237.3 million (2019 – £237.1 million). The net book value of equipment and motor vehicles held under finance leases and similar hire purchase contracts is £6.4 million (2019 – £6.3 million).



Notes to the financial statements continued  
for the year ended 31 December 2020

15. Investments continued

Subsidiary undertakings

The subsidiary undertakings at 31 December 2020 are shown below.

Company name	Class of share capital held	Portion held by parent company	Portion held by the other Group companies	Nature of business
Registered in England and Wales				
Archer Leisure Ltd	Ordinary		100%	Dormant
Ark Leisure Management Ltd	Ordinary		100%	Dormant
Bladerunner Ltd	Ordinary	100%		Dormant
Body and Mind Ltd	Ordinary		100%	Dormant
Cannons Adventures Ltd	Ordinary		100%	Dormant
Cannons Covent Garden Ltd	Ordinary	100%		Dormant
Cannons Group Ltd	Ordinary		100%	Subsidiary holding company
Cannons Health Clubs Ltd	Ordinary		100%	Dormant
Cannons Sports Clubs (UK) Ltd	Ordinary	100%		Dormant
Centre Court Tennis Ltd	Ordinary		100%	Dormant
Chichester Independent Hospital Ltd	Ordinary	100%		Dormant
Chichester (Leasing) Company Ltd	Ordinary		100%	Dormant
Corby Tennis Ltd	Ordinary		100%	Dormant
Greens Health & Fitness Ltd	Ordinary	100%		Provision of fitness facilities
Health Club Acquisitions Ltd	Ordinary	100%		Dormant
Health Club Investments Group Ltd	Ordinary		100%	Subsidiary holding company
Health Club Investments Ltd	Ordinary		100%	Dormant
Healthscore Ltd	Ordinary	100%		Software developer
Independent Surgery Centres Ltd	Ordinary		100%	Dormant
ISC Estates Ltd	Ordinary		100%	Dormant
ISC Leasing (Ipswich) Ltd	Ordinary		100%	Dormant
ISC Projects Ltd	Ordinary	100%		Property company
Jonathan Webb Ltd	Ordinary	100%		Dormant
MSCP Holdings Ltd	Ordinary	100%		Subsidiary holding company
MSCP Wellbeing Ltd	Ordinary		100%	Dormant
Mythbreaker Ltd	Ordinary	100%		Subsidiary holding company
Nuffield Cosmetics Surgery Ltd	Ordinary	100%		Dormant
Nuffield Health Care Ltd	Ordinary	100%		Dormant
Nuffield Health Day Nurseries Ltd	Ordinary	100%		Dormant
Nuffield Health One Ltd	Ordinary	100%		Dormant
Nuffield Health Pension Trustees Ltd	Ordinary	100%		Pension Trustee company

Notes to the financial statements continued  
for the year ended 31 December 2020

Company name	Class of share capital held	Portion held by parent company	Portion held by the other Group companies	Nature of business
Nuffield Health Wellbeing Ltd	Ordinary		100%	Consumer fitness centres
Nuffield Nursing Homes Trust	Ordinary	100%		Dormant
Nuffield Proactive Health Group Ltd	Ordinary		100%	Dormant
Nuffield Proactive Health Ltd	Ordinary	100%		Dormant
Nuffield Proactive Health Medical Ltd	Ordinary		100%	Dormant
Pinnacle Leisure Group Ltd	Ordinary		100%	Dormant
Precis (1748) Ltd	Ordinary		100%	Dormant
Sherburne (Leasing) Company Ltd	Ordinary		100%	Dormant
The Food Calculator Ltd	Ordinary		100%	Dormant
Twickenham Leisure Ltd	Ordinary		100%	Dormant
Vale Health Partners Ltd	Ordinary	100%		Dormant
Vale Healthcare Ltd	Ordinary	100%		Dormant
Vardon Ltd	Ordinary	22%	78%	Dormant
Wandsworth Leisure Ltd	Ordinary		100%	Dormant
Registered in Scotland				
Nuffield Health (General Partner) Ltd	Ordinary	100%		Managing partner of NHSLP
Nuffield Health Scottish Limited Partnership (NHSLP)	Ordinary	15%	85%	Property company

The freehold for Nuffield Health Oxford Hospital (The Manor) was sold to Nuffield Health Scottish Limited Partnership in March 2016 for £91.2 million (see note 8 for further information). None of the other subsidiaries have a material impact on the Group's assets, liabilities and funds at the end of the year or on the Consolidated statement of financial activities.

All subsidiary undertakings are registered in the UK and their registered office is Epsom Gateway, Ashley Avenue, Epsom, Surrey KT18 5AL except for the two subsidiaries registered in Scotland. These subsidiaries have their registered office at Saltire Court, 20 Castle Terrace, Edinburgh, United Kingdom EH1 2EN.

## Notes to the financial statements continued

for the year ended 31 December 2020

### 16. Stocks

	Group		Charity	
	2020 £m	2019 £m	2020 £m	2019 £m
Raw materials and consumables	10.5	10.3	10.1	10.3

There were no significant differences between the replacement cost and the values disclosed above.

Consignment stock not included in the Group Balance sheet is £17.0 million (2019: 16.5million). Consignment stock is stock owned by a supplier that is stored in our premises, which will be charged to the Group if drawn on or when the Group takes contractual liability for the stock.

The value of stock recognised as an expense during the year was £91.1 million (2019 – £124.9 million).

### 17. Debtors falling due within one year

	Group		Charity	
	2020 £m	2019 £m	2020 £m	2019 £m
Trade debtors	33.2	53.6	36.0	54.2
Amounts owed by Group undertakings	–	–	4.8	3.3
Other debtors	9.2	2.6	9.2	2.6
Prepayments and accrued income	59.3	34.9	56.5	34.5
	101.7	91.1	106.5	94.6

Interest is charged on amounts owed by Group undertakings at various rates of interest between 2.0% and 2.9% above the base rate (2019 – 2.0% and 2.5% above the base rate). The loans are repayable on demand and are unsecured.

## Notes to the financial statements continued

for the year ended 31 December 2020

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

		Group		Charity	
	Notes	2020 £m	2019 £m	2020 £m	2019 £m
Trade creditors		45.6	42.2	45.6	42.2
Amounts owed to Group undertakings		–	–	26.7	22.7
Obligations under finance leases		3.0	2.7	3.0	2.7
Social security and other taxes		10.9	10.4	10.8	10.3
Other creditors		16.3	25.1	16.4	25.0
Pension contributions		2.0	1.9	2.0	1.9
Pension liability for asset backed funding	8	–	–	4.7	0.6
Accruals and deferred Income		113.0	78.7	114.2	78.8
Fair value of interest derivatives		0.7	–	0.7	–
		191.5	161.0	224.1	184.2

Interest is charged on amounts owed to Group undertakings at various rates of interest between 2.0% and 2.9% above the base rate (2019 – 2.0% and 2.5% above the base rate). The loans are repayable on demand and are unsecured.

### 19. Creditors: amounts falling due after more than one year

		Group		Charity	
	Notes	2020 £m	2019 £m	2020 £m	2019 £m
Bank loan		305.0	267.0	305.0	267.0
Deferred expenses in connection with bank loan		(0.9)	(0.5)	(0.9)	(0.5)
Fair value of interest rate derivatives		–	0.6	–	0.6
		304.1	267.1	304.1	267.1
Secured loan notes		100.0	100.0	100.0	100.0
Obligations under finance leases		2.2	5.1	2.2	5.1
Pension liability for asset back funding	8	–	–	75.8	79.6
Other creditors		2.7	3.1	2.7	3.1
		409.0	375.3	484.8	454.9

## Notes to the financial statements continued

for the year ended 31 December 2020

### 19. Creditors: amounts falling due after more than one year continued

#### Pension liability for asset backed funding

	Charity					
	Risk free discount rate %	2020 Forecast payments £m	Fair value of liability £m	Risk free discount rate %	2019 Forecast payments £m	Fair value of liability £m
Amounts falling due within one year	0.0%	5.8	4.7	0.8%	2.0	0.6
Amounts falling due after one year	0.03% to 0.6%	81.8	75.8	0.8% to 1.1%	87.0	79.6
		87.6	80.5		89.0	80.2
(Loss)/gain on change in fair value assumptions			(1.5)			(2.0)

### 20. Borrowings

		Group Total funds		Charity Total funds	
	Notes	2020 £m	2019 £m	2020 £m	2019 £m
<b>Borrowings are repayable as follows:</b>					
<b>One year or less:</b>					
Finance leases		3.0	3.4	3.0	3.4
Bank loans		–	–	–	–
<b>In more than one but not more than two years:</b>					
Finance leases		1.6	2.5	1.6	2.5
<b>In more than two but not more than five years:</b>					
Finance leases		0.6	1.9	0.6	1.9
Secured loan notes		55.0	–	55.0	–
Bank loans	19	305.0	267.0	305.0	267.0
<b>In more than five years:</b>					
Secured loan notes	19	45.0	100.0	45.0	100.0
		410.2	374.8	410.2	374.8

## Notes to the financial statements continued

for the year ended 31 December 2020

The bank loans, overdraft and secured loan notes are secured by a fixed charge on some of the freehold properties of the Group and a floating charge on all the assets of the Charity. The terms of the bank loans, secured loan notes and stakeholder bond are shown below:

Description	Security	Interest rate	Repayment date
Bank loans and overdraft	Secured	Variable 2.85% + LIBOR	07 October 2022
Secured loan note £55 million	Secured	Fixed 6.02%	04 October 2024
Secured loan note £45 million	Secured	Fixed 6.3%	04 October 2026
CLBILS	Secured	Variable between 1.24% and 2.85% + LIBOR	07 October 2022

The finance leases are secured on the related assets. The other loans are unsecured and the rates of interest are based on LIBOR.

### 21. Finance derivatives

The financial derivatives in place are:

	Maturity	Fixed rate %	Principal £m
<b>In Charity and Group</b>			
<b>At 1 January and 31 December 2020</b>			
Interest rate swap – floating to fixed rate	2021	2.40%	25
Interest rate swap – floating to fixed rate	2021	0.60%	50

The Charity uses financial derivatives to manage the interest rate exposure on its current and expected future debt. The fair value of the derivatives at 31 December 2020 is a liability of £0.7 million (2019 – £0.6 million). The derivatives are recognised in the Balance sheet at their fair value as part of bank loans within creditors. The movement in the fair values is included in interest payable within the Consolidated statement of financial activities and the Consolidated income statement.

Notes to the financial statements continued  
for the year ended 31 December 2020

22. Provisions for liabilities

	Property related £m	Self- insured £m	Other £m	Total £m
<b>Group</b>				
As at 1 January 2020	17.5	3.1	0.9	<b>21.5</b>
Additional provision	19.6	0.2	2.7	<b>22.5</b>
Utilised in year	(2.2)	(0.6)	(0.2)	<b>(3.0)</b>
Credited to income statement	(5.5)	–	–	<b>(5.5)</b>
<b>At 31 December 2020</b>	<b>29.4</b>	<b>2.7</b>	<b>3.4</b>	<b>35.5</b>
<b>Charity</b>				
As at 1 January 2020	17.5	3.1	0.8	<b>21.4</b>
Additional provision	19.6	0.2	2.7	<b>22.5</b>
Utilised in year	(2.2)	(0.6)	(0.1)	<b>(2.9)</b>
Credited to income statement	(5.5)	–	–	<b>(5.5)</b>
<b>At 31 December 2020</b>	<b>29.4</b>	<b>2.7</b>	<b>3.4</b>	<b>35.5</b>

The property related provisions are estimated unavoidable costs relating to vacant properties, onerous leases and dilapidations. The costs of the vacant properties are certain. However, the income from sub-lets and the timing of bringing the properties into use or of their disposal are uncertain. The provisions are discounted.

The onerous lease provision represents the minimum unavoidable lease cost loss expected to be incurred, after considering the net costs to fulfil the lease or to exit the lease. The net costs to fulfil the lease have been determined as the expected cash flows at each site over the remainder of the lease and the alternative use is based on assigning the site to another operator. The provision is calculated on a site-by-site basis and discounted as appropriate. Amounts credited to the Income statement included a £5.5 million credit (2019 – £4.5m credit) recognised in exceptional items.

The provisions for dilapidations are recognised at the time of entering property leases when it is probable that there is an obligation and it can be measured reliably or at the first date the conditions are met.

The self-insured provision covers the estimated exposure to medical negligence and product liability claims. The maximum exposure is limited as insurance provided by a third party will cover any claims once the cumulative claim value exceeds £1.0 million (2019 – £1.0 million).

Other provisions relate to potential contractual liabilities on certain legacy contracts and the self-pay promise where there are no time limits on the aftercare of eligible patients.

Contractual disputes are those identified by the Group, including instances where legal claims have been instigated and are being defended by the Group. Claims are considered by the Board of Trustees and are defended robustly where the Board concludes that the Group is not liable. Provision is made for the most likely outcome of each individual case, based upon the information available to the Board.

Notes to the financial statements continued  
for the year ended 31 December 2020

23. Permanent endowments

Group and Charity	2020 £m	2019 £m
<b>At 1 January and 31 December</b>	<b>0.1</b>	0.1

The permanent endowment is held for the benefit of Nuffield Health Manor Hospital in Oxford.

24. Financial instruments

	Notes	Group		Charity	
		2020 £m	2019 £m	2020 £m	2019 £m
<b>Financial assets</b>					
Measured at fair value through the Income statement and Statement of financial activities	15	<b>0.1</b>	0.1	<b>0.1</b>	0.1
That are equity instruments measured at cost less impairment	15	<b>0.1</b>	0.1	<b>19.5</b>	0.1
That are debt instruments measured at amortised cost		<b>49.5</b>	60.6	<b>57.0</b>	64.6
<b>Financial liabilities</b>					
Measured at fair value through the Income statement and Statement of financial activities		<b>0.7</b>	0.6	<b>81.2</b>	80.8
Measured at amortised cost		<b>472.1</b>	442.3	<b>498.8</b>	464.8

Credit, liquidity and interest rate risk

Credit risk

Credit risk arises from deposits and derivative financial instruments with banks and trade debtors. The credit risk relating to banks is managed centrally within the parameters set by the Board of Trustees which restricts the counterparty banks and the exposure to each bank. The risk from trade debtors is considered low, with the values in the Balance sheet being presented after an allowance for doubtful debts.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities. The Group subjects its cash flow forecasts to stress tests to assess the risk of a major cash shortfall or breaches of covenants. Whilst current forecasts do not indicate any significant reduction in the amount of cash generated by the Group, any severe shortfall would be addressed by tight control over capital spending and operating costs. At the end of 2020, there were £70.0 million of unutilised bank loan facilities (2019 – £23.0 million), £12.5 million of unutilised CLBILS facilities (2019: £Nil), and a further £10.0 million of unused overdraft facility (2019 – £10.0 million). The repayment dates of debt are set out in note 20.

Interest rate risk

The Group is exposed to fluctuations in the interest rate. The interest rate management policy is to optimise the balance between the fixed and floating interest rates in order to minimise the annual interest rate costs and reduce volatility. This is achieved by an element of fixed rate borrowing and modifying the interest rate exposure through the use of interest rate swaps; details of the latter are set out in note 21.

## Notes to the financial statements continued

for the year ended 31 December 2020

### 25. Analysis of net assets between funds

The Group and Charity's assets and liabilities are unrestricted except for £0.1 million (2019 – £0.1 million) of investments that are a permanent endowment and there are restricted funds comprising cash of £0.8 million (2019 – £0.8 million). Unrestricted funds amount to -£77.4 million (2019 – £37.6 million) for the Group and -£81.1 million (2019 – £34.6 million) for the Charity.

The restricted funds represent donations where the monies received have not yet been used for the purpose defined by the donor. Most of the restricted donations are those given to specific sites that have not yet been used to purchase tangible fixed assets at those locations.

Funds are transferred from restricted to unrestricted when the performance condition connected with that donation has been met or has been used to purchase an asset for general purpose use.

### 26. Reconciliation of operating surplus to cash flow from operating activities

	Notes	2020 £m	2019 £m
<b>Total operating (deficit)/surplus</b>		<b>(74.1)</b>	2.1
Exceptional items in operating surplus	5	9.5	13.8
Depreciation and amortisation		78.6	83.6
<b>Earnings before interest, tax, depreciation, amortisation, exceptional items and non-cash elements of post-retirement benefits</b>		<b>14.0</b>	99.5
(Increase) in stocks		(0.2)	(0.5)
(Increase) in debtors		(10.6)	(5.1)
Increase in creditors		34.3	12.6
Increase/(decrease) in provisions		(0.1)	(12.0)
<b>Total cash flow from operations</b>		<b>37.4</b>	94.5
Post-retirement benefits – additional cash payments		(1.5)	(2.3)
<b>Cash generated from operating activities before exceptional items</b>		<b>35.9</b>	92.2
<b>Exceptional cash outflow from operations</b>			
Exceptional items in operating surplus	5	(9.5)	(13.8)
Impairment of fixed assets		(7.4)	14.2
(Decrease) in creditors		(0.5)	(2.2)
Increase in provisions		14.1	–
Increase in pension liability		0.2	–
<b>Total cash outflow from exceptional activities</b>		<b>(3.1)</b>	(1.8)
<b>Total cash inflow from operating activities</b>		<b>32.8</b>	90.4

## Notes to the financial statements continued

for the year ended 31 December 2020

### 27. Cash flows from investing activities

	2020 £m	2019 £m
Receipts from sale of tangible fixed assets and computer software	3.4	1.2
Purchase of tangible fixed assets and computer software	(53.4)	(78.1)
	(50.0)	(76.9)

### 28. Cash flows from financing activities

	2020 £m	2019 £m
Interest paid	(15.2)	(12.2)
Interest element of finance lease and hire purchase agreements	(0.2)	(0.4)
Receipt from new bank loan	38.0	4.0
Finance lease and hire purchase agreements	(2.7)	0.3
	19.9	(8.3)

### 29. Analysis of net debt

	Notes	At 1 Jan £m	Cash flow £m	At 31 Dec £m
Cash at bank and in hand	30	4.4	2.7	7.1
Bank loans due after more than one year	19	(267.0)	(38.0)	(305.0)
Secured loan notes due after more than one year	19	(100.0)	–	(100.0)
Finance leases due within one year	18	(2.7)	(0.3)	(3.0)
Finance leases due after more than one year	19	(5.1)	2.9	(2.2)
		(370.4)	(32.7)	(403.1)

### 30. Cash and cash equivalents

	2020 £m	2019 £m
Cash at bank and in hand	7.1	4.4
	7.1	4.4

## Notes to the financial statements continued

for the year ended 31 December 2020

### 31. Capital commitments

	Group		Charity	
	2020 £m	2019 £m	2020 £m	2019 £m
Contracted for but not provided in these financial statements	12.8	1.5	12.8	1.5

### 32. Obligations under leases and hire purchase contracts

		Group		Charity	
		2020	2019	2020	2019
	Notes	£m	(Restated) £m	£m	(Restated) £m
Future minimum rentals under non-cancellable operating leases:					
Land and buildings					
Less than 1 year		50.5	53.5	50.5	53.5
Between 1 and 5 years		188.7	207.2	188.7	207.2
After 5 years		468.5	518.2	468.5	518.2
		707.7	778.9	707.7	778.9
Other					
Less than 1 year		5.7	5.2	5.7	5.2
Between 1 and 5 years		9.2	15.2	9.2	15.2
After 5 years		0.9	0.2	0.9	0.2
		15.8	20.6	15.8	20.6
Future minimum payments due under finance leases and hire purchase agreements:					
Less than 1 year	20	3.0	3.4	3.0	3.4
Between 1 and 5 years	20	2.2	4.3	2.2	4.3
		5.2	7.7	5.2	7.7

During the prior year, certain property leases were incorrectly included in assessing future minimum rentals under non-cancellable operating leases. Land and buildings future minimum rentals under non-cancellable operating leases less than one year have been restated by £11.5 million to £53.5 million from £65.0 million, between one and five years have been restated by £38.9 million to £207.2 million from £246.1 million, and after five years have been restated by £78 million to £518.2 million from £596.2 million. These amounts have been restated for qualitative purposes and do not impact the prior year financial results.

## Notes to the financial statements continued

for the year ended 31 December 2020

### 33. Related party transactions

Trustees and Executive Managers are considered key management personnel. Total remuneration of these individuals was £2.7 million (2019 – £3.8 million). The Charity has no other related party transactions in 2020 (2019 – £Nil) other than with wholly owned undertakings, and is using the exemption allowed by FRS 102 to not disclose transactions with wholly owned undertakings.

### 34. Events after the reporting period

During the first quarter of 2021, the spread of the COVID-19 virus caused further disruption and a nationwide lockdown, with negative consequences for both human health and economic activity. The impact of the COVID-19 pandemic resulted in the temporary closure of the wellbeing estate following enforcement action by the Government between January and April 2021. An impairment review of the assets was undertaken at the end of 2020 and the assessment considered the impact of the third lockdown in Q1 of 2021 as well as the future recovery of the charity. This resulted in a net impairment reversal in 2020 (note 5). Further impairments may arise as a result of the effects of Covid-19 in 2021, however, these cannot be estimated at this time.

Board of Trustees’ quality assurance statement



The Board Quality and Safety Committee (BQSC) is the quality and safety focused committee that supports the Board in its oversight of the products and services we provide to patients and customers.

The BQSC seeks assurance that the systems and processes in relation to quality and safety are robust and well embedded so that priority is given at the appropriate level within the organisation to identify and manage risks to quality and safety.

The BQSC provides the scrutiny to ensure that the accountable Directors are:

- **setting standards** – setting the required quality standards against the up-to-date evidence base
- **achieving** – ensuring required standards are achieved, including through audit and measuring customer feedback
- **taking action** – investigating and taking action on sub-standard quality and safety performance and monitoring reports on preventative and corrective actions

- **driving quality** – planning and driving continual quality improvement to meet and exceed customer expectations and meet the requirements of interested parties such as the Care Quality Commission, Healthcare Improvement Scotland and Healthcare Inspectorate Wales
- **embedding best practice** – identifying, sharing and ensuring delivery of best practice including improvements to quality management systems and processes
- **managing risk** – identifying and managing risks to quality of care including approving resources to meet improvement plans.

The BQSC has delegated authority from the Board to provide assurance regarding the content of the Annual Quality Report, which is now incorporated in this 2020 Annual Report along with the NHS Quality Account.

The NHS core quality account indicators as they relate to Nuffield Health activities are provided on our website in the format prescribed by NHS England for 2020-2021.

As Chair of the BQSC, I am assured that the Committee has reviewed reliable sources of information that have been triangulated with internal and external (including regulatory) assessment and/or inspection, and I am satisfied with the course of action followed.

The Committee would like to acknowledge the work of staff at all levels and in all parts of Nuffield Health, who remain dedicated to providing safe, effective and caring services to our members and patients. We would also like to thank the team which supports our work and to commend their consistent openness and relentless quest for improvement.



Reviews of Nuffield Health hospitals by independent regulators

All our hospitals are inspected by independent healthcare regulators to ensure they meet the fundamental standards of quality and safety as determined by the regulating body of each country. The table below details the rating of our hospitals according to the findings of the Care Quality Commission, Health Improvement Scotland (HIS) and Health Inspectorate Wales (HIW). Full reports of the inspections are available on the regulators’ websites.

Hospital	Date of review	Overall	Safe	Effective	Caring	Responsive	Well led
Bournemouth	Mar 2017	RI	***	***	***	***	***
Brentwood	June 2017	G	O	G	G	G	G
Brighton	Feb 2018	G	G	G	G	G	G
Bristol	Aug 2016	G	G	****	G	G	G
Cambridge	Nov 2016	O	G	G	O	O	O
Cheltenham	Jul 2016	G	G	G	G	G	G
Chester	Dec 2016	G	G	G	G	G	G
Chichester	Oct 2017	G	RI	G	G	G	G
Derby	May 2016	G	G	G	G	G	G
Exeter	Oct 2016	G	G	G	G	G	G
Guildford	Aug 2017	G	G	G	G	G	G
Haywards Heath	Dec 2017	G	RI	G	G	G	G
Hereford	Mar 2017	G	G	G	O	G	G
Ipswich	Nov 2016	G	RI	O	O	G	G
Leeds	Jun 2017	O	G	G	O	O	G
Leicester	Mar 2017	G	G	G	G	G	G
Newcastle	Aug 2016	G	G	G	G	G	G
North Staffordshire	Feb 2016	G	G	G	G	G	G
Oxford	Nov 2016	G	G	G	G	G	G
Plymouth	Nov 2015	RI	RI	G	G	G	RI
Shrewsbury	Jan 2017	G	G	G	G	G	G
Taunton	Nov 2016	G	G	G	G	G	O
Tees	Oct 2017	O	G	G	O	O	O
Tunbridge Wells	Jul 2017	G	G	G	G	G	G
Warwickshire	Mar 2017	G	G	RI	G	G	G
Wessex	Mar 2016	G	G	G	G	G	G
Woking	Aug 2017	G	G	G	G	G	G
Wolverhampton	Apr 2017	G	G	G	G	G	RI
York	Jun 2017	G	G	G	G	G	G
Cardiff & Vale*	No issues identified by HIW						
Glasgow**	Good (Health Inspectorate Scotland)						

● Outstanding ● Good ● Requires improvement

\*HIW conducts a review and provides a letter of findings, but not a rating. No breaches were identified in its inspection. \*\*Inspected by HIS with improvements noted across three areas – patient experience, safe care delivery and leadership/change improvement. HIS does not produce an overall rating. \*\*\*Bournemouth CQC inspection May 2016, re-inspected March 2017 but not rated. \*\*\*\*Not enough evidence to rate.

Additional information

Additional quality assurance information

Internal and External Audit

Nuffield Health assures the quality of services provided by undertaking, and being subject to, continual Internal and External Audit programmes. The following expert advisory groups (EAGs) are in place and further assurance reviews are undertaken at the Quality Forum and the Board Quality and Safety Committee.

Nuffield Health expert advisory groups (EAGs)

- ◆ Clinical
- ◆ Primary Care
- ◆ Pathology
- ◆ Children & Young Persons
- ◆ Medical Directorate
- ◆ Research & Outcomes
- ◆ Radiology
- ◆ Theatres & Decontamination
- ◆ Critical Care & Resuscitation
- ◆ Infection Prevention
- ◆ Cancer Services
- ◆ Medicines Management & Medical Devices
- ◆ Health & Safety
- ◆ Information Governance

Nuffield Health Joint Advisory Groups (JAGs)

- ◆ Quality Assurance
- ◆ Gastrointestinal Endoscopy

External advisors

Nuffield Health is grateful for the support and expertise provided to us by a range of subject-matter experts. A list of these is available on our website.

Regulatory frameworks

Regulators of health and care professionals, products and services:

- Professional Standards Authority – oversight of regulators of health and social care professionals in the UK

- Health and Safety Executive (HSE) – statutory body to reduce work related death and serious injury in Great Britain
- Local Authority/Food Standards Agency – environmental health officers’ inspection of food quality and hygiene
- Care Quality Commission (CQC) – inspection of health and care services in England
- Healthcare Improvement Scotland (HIS) – inspection of healthcare in Scotland
- Healthcare Inspectorate Wales (HIW) – inspection of healthcare in Wales
- Medicines and Healthcare products Regulatory Agency (MHRA) – registration of medical devices
- Human Fertilisation and Embryology Authority (HFEA) – licensing and monitoring of UK fertility clinics
- General Pharmaceutical Council (GPhC) – regulator for pharmacy premises in Great Britain
- Office for Standards in Education, Children’s Services and Skills (Ofsted) – regulator of care/education (eg Nuffield Health crèche facilities)

Additional information on quality assurance not already included in this report:

- the Radiological Protection Centre (RPC) continues to independently assure that Nuffield Health uses ionising and non-ionising radiation safely in order to protect the wellbeing and safety of patients and staff
- all Nuffield Health pathology facilities are accredited by clinical pathology accreditation (CPA) and are also all compliant with blood safety and quality regulations (BSQR)
- all seven Hospitals Sterile Services Units remain registered with the UK competent authority (MHRA) and continue to be audited by the notified body, SGS Ltd. This registration provides evidence of compliance with Medical Devices Directive 93/42/EEC (and its amendment 2007/47/EC) as well as a robust quality management system based on ISO 9001:2008 and ISO 13485:2012.

Professional advisors

External auditor

- ◆ Deloitte LLP  
3 Victoria Square, Victoria Street, St Albans AL1 3TF

Internal auditor

- ◆ PriceWaterhouseCoopers LLP  
1 Embankment Place, London WC2N 6RH

Solicitor

- ◆ CMS Cameron McKenna  
Cannon Place, 78 Cannon Street, London EC4N 6AF

Banks

- ◆ Barclays Bank plc  
1 Churchill Place, Canary Wharf, London E14 5HP
- ◆ Santander UK plc  
Santander House, 100 Ludgate Hill, London EC4M 7RE
- ◆ Siemens Bank GmbH  
111 Old Broad Street, London EC2N 1AP
- ◆ NatWest Group plc  
250 Bishopsgate, London EC2M 4AA
- ◆ HSBC Bank plc  
Level 7, Thames Tower, Station Road, Reading, Berks RG1 1LX

Property Advisor

- ◆ Avison Young  
3 Brindley Place, Birmingham B1 2JB

Pension and remuneration advisor

- ◆ Mercer Ltd  
1 Whitehall Quay, Whitehall Road, Leeds LS1 4HR



## Contact and registered office details

### Address:

Nuffield Health  
Epsom Gateway  
Ashley Avenue  
Epsom  
Surrey KT18 5AL

### Online:

[www.nuffieldhealth.com](http://www.nuffieldhealth.com)  
[Facebook.com/nuffieldhealth](https://Facebook.com/nuffieldhealth)  
[Twitter.com/nuffieldhealth](https://Twitter.com/nuffieldhealth)  
[Instagram.com/nuffield.health](https://Instagram.com/nuffield.health)  
[YouTube.com/nuffieldhealthtv](https://YouTube.com/nuffieldhealthtv)

### Telephone:

0300 123 6200

### Nuffield Health Registered Office:

Epsom Gateway, Ashley Avenue, Epsom, Surrey KT18 5AL.  
A registered Charity Number 205533 (England and Wales),  
a Charity Registered Number SCO41793 (Scotland) and  
a Company Limited by Guarantee. Registered in England  
Company No 00576970.

All our hospitals in England, and those clinics delivering regulated activities, are registered with the Care Quality Commission. Our hospital in Glasgow is registered with Healthcare Improvement Scotland and our hospital and clinic in Cardiff are registered with Healthcare Inspectorate Wales.

