

Building a healthier nation for everyone

Annual Report 2021





We are the UK's largest healthcare charity

Building a healthier nation for everyone.

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Our purpose

To build a healthier nation

Our purpose is to build a healthier nation through: outstanding day-to-day services; free-to-access flagship programmes that address unmet health needs; partnering with local groups to increase our access to those living on lower resources, or underserved communities; and collaborating on research to improve health outcomes. We work together to make the nation fitter, healthier, happier and stronger.

Within this Annual Report, when referring to 'the Group', we have included the five Aspen hospitals acquired in September 2021. This increased our total number of hospitals to 37. Reference to 'the Charity' excludes these five hospitals and associated metrics.

Our Group network

(As of August 2022)

114
fitness and wellbeing centres

Our network of health and fitness experts, based at our centres, offers a wide range of wellbeing services all under one roof, including free programmes to those in our local communities who need us the most.



37
hospitals

We deliver the highest standards of clinical care, in state-of-the-art facilities, with consultant-led treatments, spotlessly clean rooms and a team of dedicated and experienced nurses.

105
corporate fitness and wellbeing sites

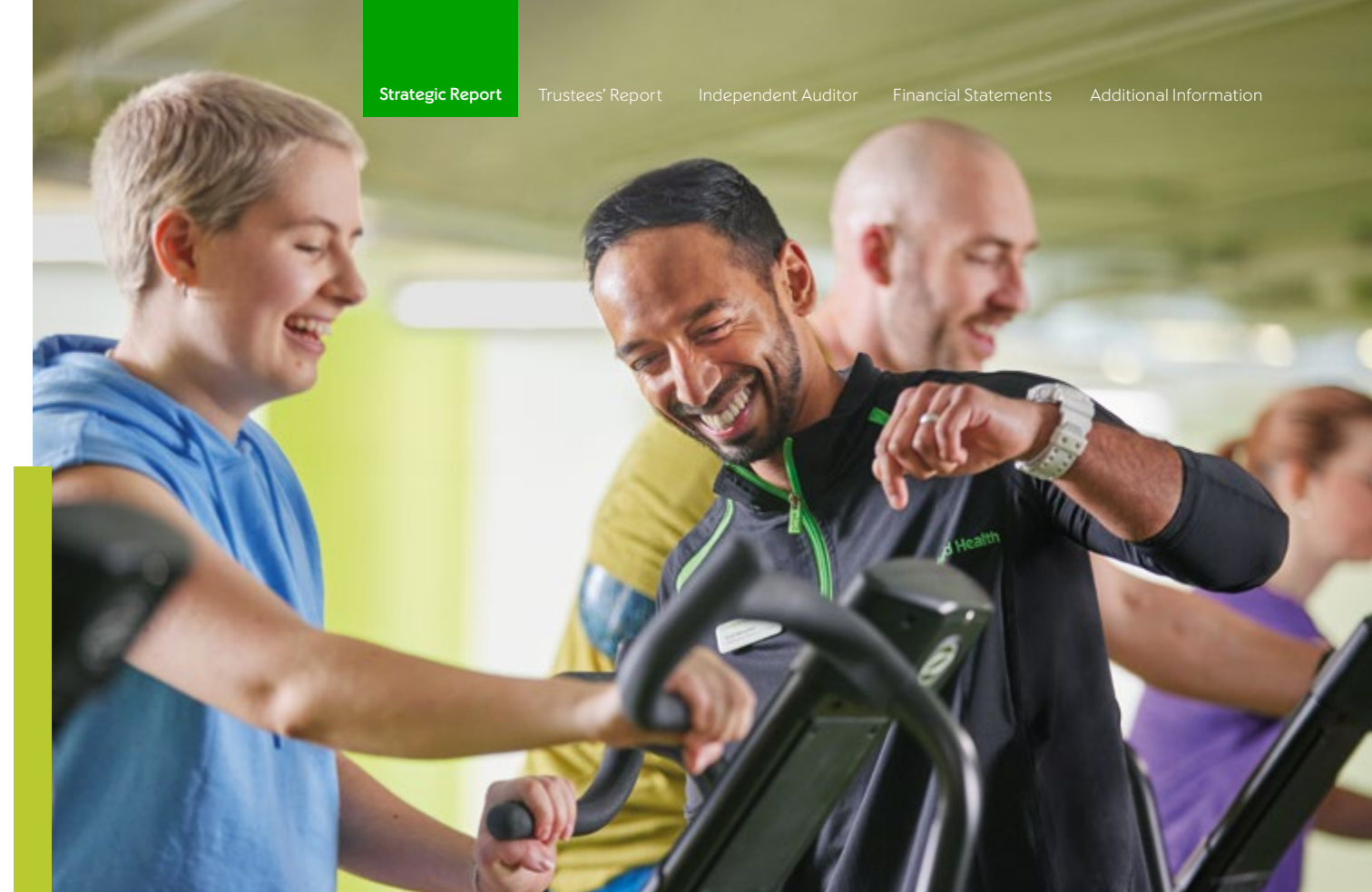
We provide a wide range of corporate healthcare services that engage and empower employees, and play a central role in creating a thriving organisation. This includes onsite facilities and experts.

7
Hospital Sterilisation Services Units (HSSU)

Our HSSUs offer a bespoke decontamination service for reusable medical devices (surgical instruments), from seven purpose-built units throughout England.

1
research and development facility

We are the operating partner of the Manchester Institute of Health and Performance, a purpose-built facility for world-class diagnosis, education and research. By identifying local unmet health needs we can test and learn how best to support local communities across the UK.



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 Hospital Sterilisation Services Units (HSSU), delivering accredited decontamination and sterilisation services for reusable medical equipment.

Pathology

Our fully accredited laboratory blood science, blood transfusion and microbiology services are tailored to requirements, to aid diagnosis. Pathology results can be reported through a web-based paperless system for patient ease.

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.

Fitness and wellbeing

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

Flagships

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

Workplace wellbeing

A 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.

Personal training

Our CIMPSA accredited personal trainers (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, and long-COVID.

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.

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.



1.21m

people reached
(2020 – 1.25m)



11.3%

of people use two or
more of our services
(2020 – 10%)



I love meeting people from different backgrounds and with different challenges and helping them to fulfil their goals.



Tom Murray
Senior Physiotherapist



With all the different areas, such as gyms, hospitals and HSSUs, there's always something new to learn, and different people to meet. No day is ever the same.



Everyone at Nuffield Health shares a passion for doing the right thing for our patients, our customers, our members and each other. None of it would be achieved without the heartfelt desire to make a difference.

Our wide range of services gives our people the power to create the future they want, their own way. We value what each person brings to the Charity, and we want them to enjoy being themselves at work, every day. We're all building something bigger so we can provide the right care, services and activities for everyone.

[Read more on our healthy work pages 76-81](#)

Casey Simmons
Wellbeing Personal Trainer



Having like-minded people around has pushed me to become the best trainer possible. Everyone brings something different to the table, and everyone's generous about sharing knowledge.



Gavin Coke
IT Support Specialist



Our people

We're 16,400 people building a healthier nation for everyone by working together as one Nuffield Health team. We come from all walks of life, backgrounds and ethnicities, and each of us has our own hopes and dreams. Some are ambitious, others just love the jobs we do. But we all make a difference to people's lives.



Jordan Thomas
Senior Emotional Wellbeing Therapist



I firmly believe that the prevention and education of mental health issues is more effective than treating the various conditions themselves. Nuffield Health reciprocates this philosophy.



The thing I enjoy most about my role is being able to feel like I've made a difference to patients that I'm looking after.

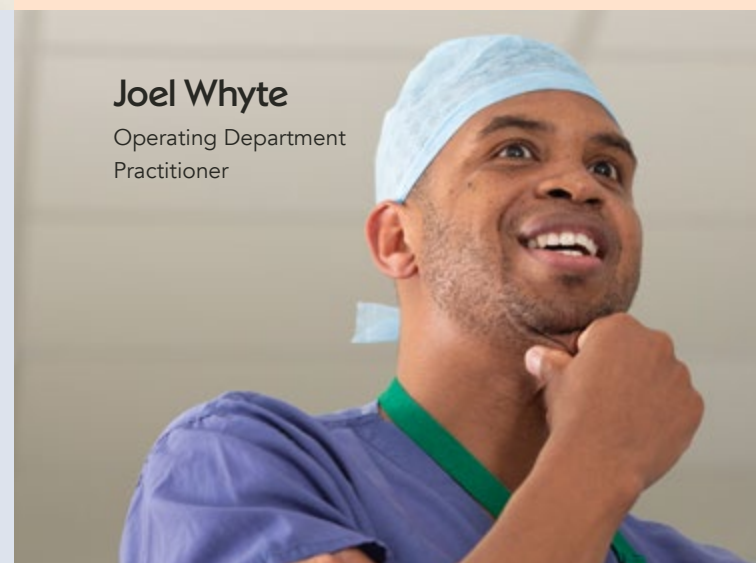


Danielle Sharland
Lead Radiographer



Joel Whyte

Operating Department Practitioner



Nuffield Health has supported me, and been really flexible with my working hours and working patterns; they've really decided to work with me and my situation.



Nuffield Health in numbers*

16,400**

employees working together
to build a healthier nation

633,000

physiotherapy sessions
delivered

329,000

fitness and wellbeing
members across our 114 sites

65,000

subscribers to our NH 24/7
digital fitness platform

210,000

hospital episodes through
self-pay, private medical
insurance and NHS referrals

100%

of our electricity is from
renewable natural sources

58,000

health assessments delivered

5.9%

gender pay gap

* All figures relate to The Charity

** This figure relates to The Group

OUR IMPACT

1.21m

people reached

£18m

Social Return on Investment

4,227

people participated in our
free-to-access flagship
programmes

2.4m

unique views of digital
health articles

100%

of our hospitals rated Good
or Outstanding by national
regulators in 2022

Making our Charity accessible to all

As we move into a post-pandemic world, our Chair, Dr Natalie-Jane Macdonald, reflects on a year of constant adjustment, coupled with uncertainty, but she sees opportunities ahead.

◆◆
We must ensure Nuffield Health is a diverse, equitable, and fulfilling place to work, where people are encouraged and enabled to make their voices heard.
◆◆



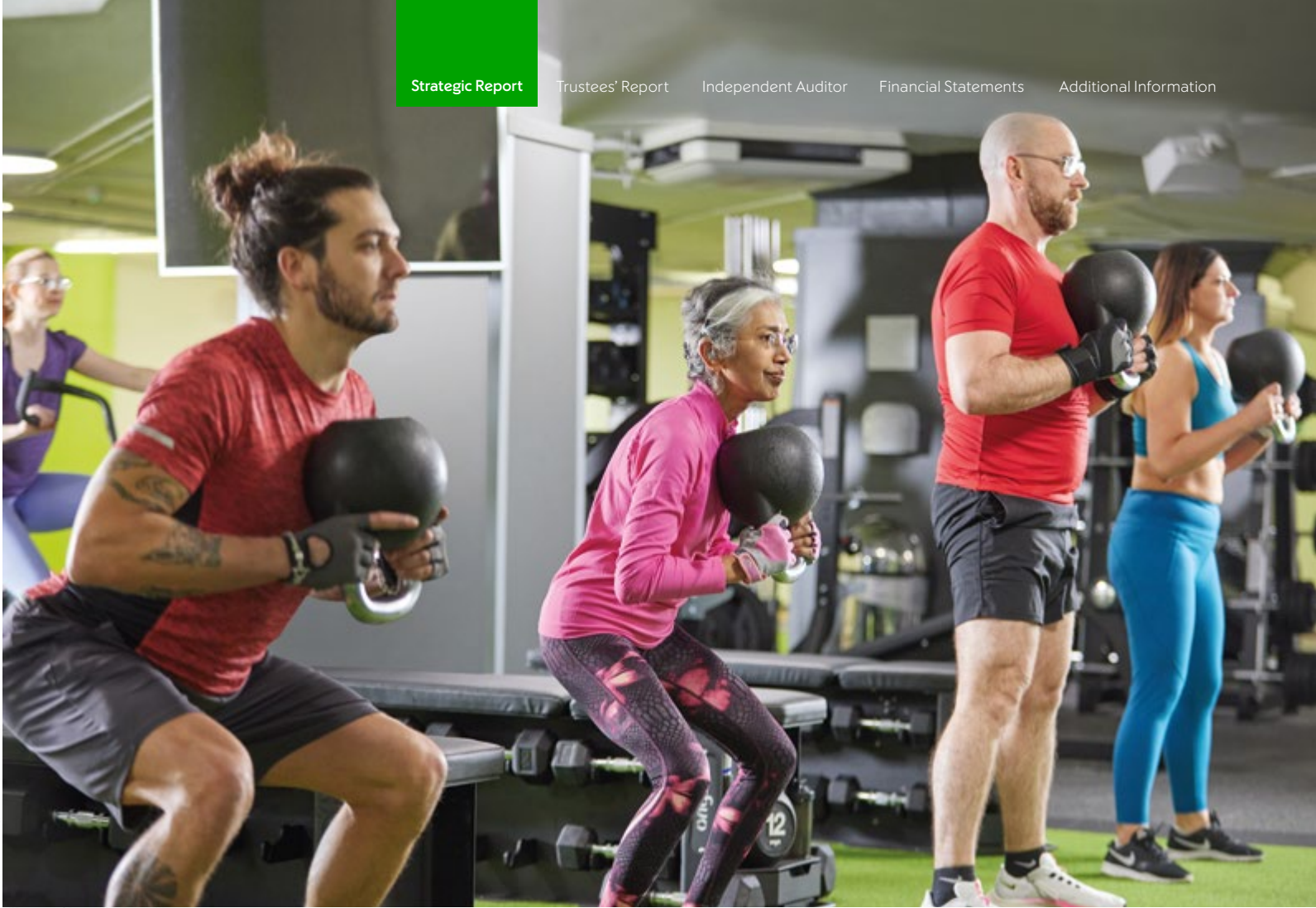
2021 will be remembered as the year we emerged from the global pandemic. A year that, for Nuffield Health, called for constant adjustment as we navigated our way through the uncertainty of the final months of restrictions, only to find lengthening NHS waiting lists, and a growing tranche of people suffering from the long-term effects of the virus. We couldn't have asked more of our teams during this time – they were simply magnificent and always available for our beneficiaries.

Although our NHS activity continues to be below pre-pandemic levels, we stand ready to support our local trusts with additional capacity. By keeping people healthy and well through our services, we'll help ease pressure on the system.

Our free-to-access flagships regained traction during the second half of the year, when restrictions eased and it became clear that our expertise was needed more than ever. It's a source of great pride that our award winning COVID-19 Rehabilitation programme is continuing to help people suffering from the debilitating effects of long-COVID, and it's heartwarming to see the positive impact this is having on people's lives, along with our Joint Pain programme.

We're increasing our range of partnerships to support communities in tackling poorly met health needs. And it's our intention to increase the proportion of our services focused on those living with lower resources from 5% to 15% of beneficiaries by 2030. The key is to ensure our outcomes are evidence-based, so we can measure the impact of our public benefit through our Social Return on Investment tool.

A report by the World Health Organisation cited climate change as the greatest risk to public health, so I welcome the fact that we're taking bold steps to



reduce our carbon footprint, with an ambitious end goal of carbon net zero by 2040. New initiatives are carefully measured to take into account the broader environmental impacts, and this is a positive move.

During the year, my focus was on four things – our strategic review, which plots our path to 2030; continuing to strengthen the effectiveness of the Board of Trustees; supporting Steve and his team as they worked hard to maintain a steady path for the Charity; and getting around the organisation to meet the people who deliver outstanding services and health outcomes to our beneficiaries every day.

We have a clear plan to enable us to do even more towards our purpose to build a healthier nation and reach those living on lower resources. We have clarity around our commitment to our people and our beneficiaries, and we understand where our expertise, either alone or in partnership with others, can make a meaningful contribution to the health of our nation.

We face challenges relating to the economy, but we also have the challenge of opportunity. We need to target those specific areas of health and wellbeing where we can have the most impact on the lives of

individuals, and the nation overall. We must play the best role we can as part of the UK's health and wellbeing ecosystem.

The Board of Trustees was further strengthened this year by the arrival of Mark and Junaid (see Board of Trustees' Report pages 101 to 117). We have a skilled and committed Executive Management Team, led by Steve Gray, and 16,400 people whose passion and dedication are making a tangible difference to people's lives every day.

Without our people, we can achieve nothing. So it's incumbent upon the Trustees to work with Steve and his team to ensure that Nuffield Health is a diverse, equitable, and fulfilling place to work, where people are encouraged and enabled to make their voices heard and get involved. From what I've seen on my travels around the Charity, talking to our people about their hopes and aspirations for the future, I'm in no doubt we'll meet this test.

Natalie-Jane Macdonald

Dr Natalie-Jane Macdonald, Chair

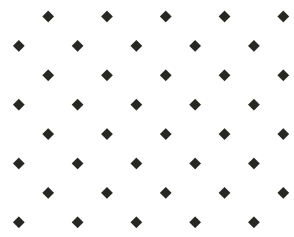
Pride in what we've achieved

A message from Chief Executive Officer, Steve Gray



1.21m

people reached during 2021, including 5.29% living with lower resources



Against a backdrop of a difficult and volatile environment, I'm immensely proud of what we've achieved. We continued to live and breathe our purpose, supporting the health of the nation through our services, and increasing our efforts to address unmet health needs in underserved communities.

2021 saw the Group exceed its Social Return on Investment (SROI) and financial EBITDA targets, producing a solid performance. Our people showed determination and courage as they put the needs of our beneficiaries first, despite the challenges faced as we moved out of COVID-19 restrictions. Credit must go to our leadership team for not only steering the Charity through our recovery, but also for setting down solid foundations for future growth.

It was a pivotal year in the Charity's evolution, one where we undertook a strategic review and reaffirmed our strong commitment to our purpose, to build a healthier nation. At the core of this, we set ambitious targets to reach more people living with lower resources, building on the progress made in 2021.

Driving forward our plans to expand access to our services to those living on lower resources, or in under-served communities, was a key focus through the year. Our unique free-to-access flagship programmes are designed to help people get well, stay well, and live well, through the different stages of their lives. So we were delighted that, despite the lockdown restrictions at the beginning of 2021, over 4,000 people had accessed our COVID-19 Rehabilitation and Joint Pain programmes by the end of the year. Feedback from beneficiaries shows that these programmes are making a significant difference to people's lives. (See page 24.)

We continually evaluate the impact we have on society, over and above our 'paid-for' services, using a SROI measure. And, in 2021, our SROI for our COVID-19 Rehabilitation and Joint Pain flagship programmes alone topped £18 million, something we're extremely proud of. (See page 29.)

It's a demonstration of the excellence of our care, and testament to the hard work and dedication of our teams, that Nuffield Health is the only UK-wide independent healthcare provider to have all its hospitals rated Good or Outstanding by the UK regulators.*

The recovery of the Charity was a priority, following the most challenging period in the organisation's history. The start of 2021 saw our fitness and wellbeing sites close, and our hospitals operating under the NHS contract. Quarter 2 resulted in strong growth, with hospital revenues performing consistently ahead of expectations. Membership of our fitness and wellbeing centres has been growing steadily following the lifting of restrictions, and totalled 329,000 at the end of 2021. This compared with 249,000 at the end of 2020, when numbers were heavily impacted by the pandemic.

On track for growth

Predicting the future is difficult at the best of times but in the midst of a pandemic it's almost impossible. At the beginning of the year, despite the uncertainties, we pledged to drive forward our growth strategy, while continuing to react to the fluid economic environment. And I'm pleased to say that this plan served us well.

In September 2021, the Group acquired five Aspen hospitals from Northwest Healthcare Properties. Each hospital is close to one of our existing fitness and wellbeing centres, allowing us to strengthen our connected healthcare offering in communities inside the M25 corridor, and across the east coast of Scotland. The transfer of over 1,300 colleagues

from Aspen to Nuffield Health marked an important milestone in our integration programme.

Our new fitness and wellbeing centre opened at the Barbican, in the autumn. Located in the heart of the City of London, it was here that I welcomed founding member, and inspiration, Christine. Eighty-nine years young, Christine has lived in the area for over 20 years and plans to use the facilities up to five times a week. This is our 114th fitness and wellbeing centre, and its opening strengthens our connected health strategy for London (see page 48).

Another piece in our connected health plan came to fruition when, in May 2022, the doors to our new hospital, Nuffield Health at St Bartholomew's Hospital, opened to patients, forming the central pillar of our London campus. The first independent hospital in the City of London, it will provide a unique cardiac pathway for patients, while also specialising in cancer care, orthopaedics and women's health. Opportunities will be maximised to connect the hospital to our fitness and wellbeing centre at the Barbican, as well as to the newly acquired Aspen hospitals and our other sites in London. In doing this, we're poised to make a real difference to the lives of Londoners. (See page 42.)

Supporting our people

Investing in our people is imperative and, as well as a pay increase for all employees in 2022, we implemented a Nuffield Health living wage, which exceeds the Government's living wage. Building on the success of last year's 'Wellness day', in 2022 we're offering all employees two 'Wellness days', in addition to their annual leave allocation. This



"We were delighted to be presented with ukactive's Healthy Communities Award, which recognises the important role played by our free-to-access COVID-19 Rehabilitation programme."



reflects our appreciation of their hard work during the pandemic, and the toll it took on family life.

Nurturing a diverse, enthusiastic and highly skilled workforce is critical to the success of Nuffield Health. We strongly believe everyone should be able to make their voice heard, and that our leadership team must be prepared to listen and take action. Now in its second year, our Equity Forum goes from strength to strength. Members continue to drive open conversations, as they discuss challenges faced in the workplace, and their input is contributing to our wider strategy.

I was pleased to see that our 2021 gender pay gap, at 5.9%, is lower than the 7.4% reported for 2020. This compares favourably with the national average of 15.4%, and we're implementing plans to reduce this further as, ultimately, our aim is to have no gap. For the first time, we shared details of our ethnicity pay gap. Although not legally required to do so, we felt that, as a responsible employer, it's important to be transparent. Our mean ethnicity pay gap sits at 5.7% in favour of our non-white population. However, it's important to note that the data was recorded in

April 2021 when our ethnicity disclosure rate was 60%. As we continue to encourage employees to complete their profiles, we hope future reports will be more reflective of our organisation as a whole.

A greener future

2021 saw us take a big step forward as we made a commitment to be carbon net zero for Scope 1 and 2 emissions by 2030, and Scope 3 by 2040. We believe these targets are sector leading, and we'll be transparent in sharing our progress to help inform others.

We're starting by reducing carbon emissions by 5% in 2022, and have launched an internal sustainability campaign, focused on energy reduction, to engage and inspire our people to get involved and help us achieve this target. Investment in our infrastructure is underway, and plans are in place to reduce our carbon footprint.

To help prompt change in the healthcare sector, we launched a bespoke, leadership development

*Refers to the Group, this excludes Nuffield Health at St Bartholomew's Hospital, which opened in May 2022 and is yet to undergo CQC assessment

Discover our free
STAMINA flagship
programme

p25

Read how our
connected services
helped Jill

p50



We exist to make people's lives
better through our purpose to build
a healthier nation.



Read about
Sarah's COVID-19
recovery journey

p26

Find out how
we're supporting
local communities

p82

programme – Green Healthcare Leadership – in partnership with the Florence Nightingale Foundation, focusing on sustainable healthcare in the independent sector. As part of the programme, nurses are required to implement a quality improvement project to support environmentally sustainable service improvements. I'm excited to see the opportunities this will bring.

Financial sustainability

Group turnover increased on 2020 by £209.0 million (26.8%) to £988.5 million. The Group continued to exercise control around operating expenditure, capital expenditure and cash and achieved an adjusted EBITDA (See page 62 for calculation) of £77.5 million, an increase of £63.5 million on 2020 and a net deficit after tax of £32.8 million (2020 – £92.4 million). In September 2021, the Group disposed of the Woking Hospital freehold, leasing back the property, with an associated profit on disposal of £6.4 million reported within adjusted EBITDA.

Following last year's steady recovery, both our Charity and Group had a strong start to 2022. We've seen high levels of demand for self-pay in respect of healthcare services, as well as an upturn of private medical insurance and NHS activity within our hospitals. Fitness and wellbeing membership is almost back to pre-pandemic levels and is continuing to grow. During quarter 3 of 2022, the Group entered into a refinancing arrangement totalling £500.0 million (see note 36 on page 173).

Looking ahead

While conscious that this challenging environment will be with us for some time, we believe exciting times lie ahead for Nuffield Health. We'll continue to drive forward our sustainability agenda, and remain open to new opportunities.

As part of our strategic review, we identified the activity and initiatives required to define our direction

and ensure we deliver further public benefit. We've created models for the future through our new fitness and wellbeing centre at the Barbican, and state-of-the-art hospital, Nuffield Health at St Bartholomew's Hospital, demonstrating our pioneering commitment to connected health care.

With the economic uncertainties facing the nation, there's never been a more critical time for healthcare to be focused on meeting unmet health needs and tackling health inequalities in local communities. Clear plans are in place to deliver our purpose, and our people have the expertise and passion to make this happen.

Thank you

I began this statement by recognising the hard work of all our people and I'm ending on the same message. They worked tirelessly through another difficult and unpredictable year, putting the interests of our beneficiaries ahead of their own needs. This fills me with much pride and gratitude, and it's something we'll forget.

Our Board of Trustees, led by our Chair, Natalie-Jane, was generous in its support for the Executive Team and me. For this, I thank them wholeheartedly.

The last two years have been nothing if not extraordinary. We all faced challenges but we pulled together and summoned the energy and enthusiasm to find solutions. And this is the essence of Nuffield Health. We exist to make people's lives better through our purpose to build a healthier nation, and I have no doubt that we'll continue to do this for many years to come.

Steve Gray
Chief Executive Officer

Healthcare market overview

Demand for healthcare

Around 21.5% of the population is expected to be 65 or over in 2030. An ageing population brings with it underlying health needs and co-morbidities, often linked to lifestyle factors such as obesity. Musculoskeletal conditions affecting the joints, bones and muscles, along with rarer autoimmune diseases and back pain, will all have greater impact on more lives over the next decade, as will mental health.

Why is this so important to Nuffield Health?

We're already seeing a notable increase in people taking personal responsibility for their health and wellbeing, resulting in greater willingness to self-pay or seek out alternative care services. However, the burden of ill health will increasingly fall on those living with lower resources, or in underserved communities. Through our network of hospitals, fitness and wellbeing centres, medical centres and online resources, together with our free-to-access flagship programmes, we're well positioned to reach the wider population as the need for health and wellbeing services increases.

How can Nuffield Health respond?

Expanding our range of free-to-access flagship programmes to include long-term conditions that have not been a focus in the past. Adopting a pathway approach to multiple types of healthcare provisions, such as prevention and rehabilitation. Ensuring our care services are easy to access, to encourage people from all levels of society to make contact with us.



COVID-19 recovery

The pandemic meant many people were either reluctant to seek medical advice, unable to get appointments, or had treatments cancelled. The lifting of restrictions has led to a sustained period of pent-up demand for health treatments and care, which is expected to last at least until 2023. With the NHS addressing record waiting lists, there will be a greater reliance on private medical treatment, as well as an increasing move towards self-funding care.

Why is this so important to Nuffield Health?

Increased demand for health and wellbeing care may result in us having to make difficult choices about the prioritisation of payors and/or patient beneficiaries. An emphasis on maximising throughput to ensure we address the health needs of as many people as possible may be required.

The increased focus on health and wellbeing, coupled with the pressures of the pandemic, will undoubtedly see corporate organisations reviewing their wellbeing offerings to ensure they're aligned to the needs of their workforce. There are early signs of companies increasing funding, with a clear focus on mental health.

How can Nuffield Health respond?

Focusing on those areas of health and wellbeing that are in greatest demand and need, including mental health and cancer treatments. Reviewing the mix of services offered at our different locations in order to improve efficiency and ensure customer satisfaction.

Healthcare delivery models

Pharmacies are increasing their ability to support low complexity care and chronic disease management. At the same time, GP practices are expanding to support multi-specialist teams. In the future, local surgeries may house ambulatory clinics and diagnostic facilities. The benefit is that acute hospitals will be able to focus on delivering efficient elective and urgent care when required. Increasingly, health and social care is becoming more integrated and digitised, which is enabling new care models. The UK digital infrastructure will enable a single view of patient health and can be leveraged to deliver a co-ordinated treatment for the patient, along with evidence-based, standardised, care pathways.

Why is this so important to Nuffield Health?

Our beneficiary proposition will increasingly include digital elements, as we seek to evolve our existing pathways across the customer journey. As these elements are introduced, we'll need to ensure the right expertise is in place so the patient experience is seamless and patient care is not compromised.

How can Nuffield Health respond?

With strong technological capabilities across the customer journey including single electronic view of medical records; online referral portals and GP services; virtual consultations integrated with face-to-face care for diagnostics and treatment; and leveraging available technology to develop remote monitoring pathways for successful long-term disease management.



26%
of organisations
expected to grow their
wellbeing budgets*

Corporate wellbeing

Post pandemic, the wellbeing of employees is increasingly important to employers. Around 26% of organisations expect to grow their wellbeing budgets over the coming years. Focus areas include mental health, with clear measurement factors such as absenteeism and engagement. Organisations will need to take a holistic and flexible approach to the needs of their employees so individual requirements can be assessed. The impact of flexible working arrangements will need to be taken into account, as employees will expect convenience and choice in terms of their health services.

Why is this so important to Nuffield Health?

Corporate wellbeing is a growing sector and increasingly on the agenda of employers and employees. It's grown to encompass a broad range of health and wellbeing measures which play into our service offering. New hybrid working arrangements require a mix of onsite and digital services to be available to employees. Solutions will need to offer employers proven benefits.

How can Nuffield Health respond?

Leveraging digital delivery models, and capturing data and evidence for employers so they can measure the performance of their health and wellbeing offerings. A scalable modular offering will address the need for flexibility and choice, with online booking and self-service ensuring easy access to services.

* https://www.cipd.co.uk/Images/health-wellbeing-work-report-2021_tcm18-93541.pdf

21.5%
of the population
in 2030 is expected
to be 65+



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

Our strategy

Our purpose drives our strategy and underpins all our decision making. Each strategic objective contributes towards the success of our Charity.

2021 strategic objectives and key performance indicators



Public benefit

Deliver a measurable health and wellbeing benefit to a diverse representation of the UK public
Read more pages 22-29



1.21m

people reached including 5.29% living with lower resources (2020 – 1.25m)



Quality assurance and outcomes

Be the industry leader in Quality standards and health outcomes
Read more pages 30-45



94%

of our hospitals rated Good or Outstanding (2020 – 94%)



Connected health

Deliver an accessible and personalised health experience journey for members
Read more pages 46-53



11.3%

of people use two or more of our services (2020 – 10%)



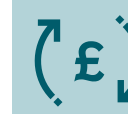
Brand trust

Be the UK's most known and trusted health and wellbeing brand
Read more pages 54-57



14%

spontaneous awareness (2020 – 16%)



Financial sustainability

To enable sustainable investment in support of our purpose
Read more pages 58-63



£77.5m

adjusted EBITDA* (2020 – £14.0m)

*The Group disposed of the Woking Hospital freehold, leasing back the property with an associated profit on disposal of £6.4m, reported within adjusted EBITDA.

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

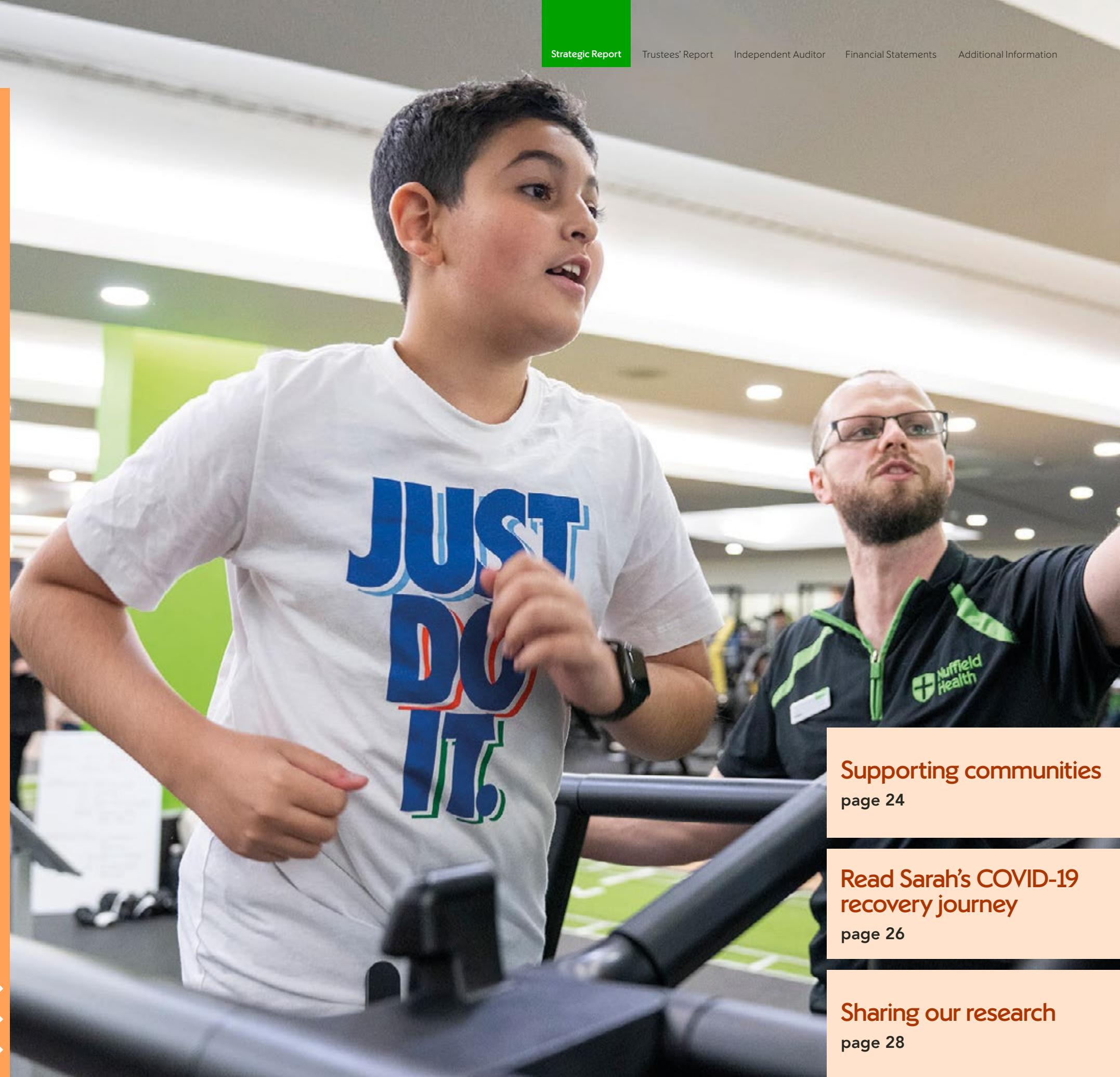


Public benefit

Everything we do delivers public benefit. We strive to make a difference to people's lives through the quality of our care and outcomes, groundbreaking research and development, and addressing unmet health needs.

We're increasing our reach in under-served communities, where people live with lower resources and wouldn't normally be able to access our services.

We invest in research to develop evidence-based practices to improve health and wellbeing, and our findings are freely distributed across the healthcare sector.



Supporting communities
page 24

Read Sarah's COVID-19 recovery journey
page 26

Sharing our research
page 28

Supporting unmet health needs in the community



COVID-19 Rehabilitation

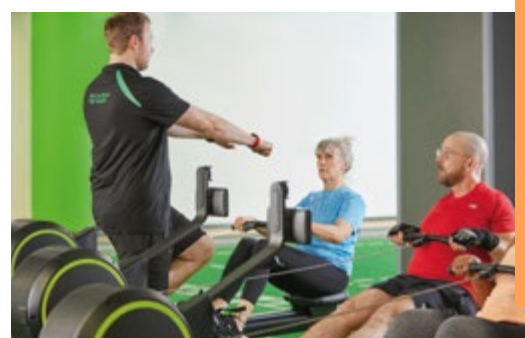
Developed in collaboration with the NHS and leading industry experts, our free-to-access COVID-19 Rehabilitation programme recognises that many people have been left suffering from the long-term effects of the virus.

The first programme of its kind in the UK, our leadership in recognising this unmet community need was endorsed when we were invited to contribute to the National Institute for Health and Care Excellence (NICE) 2021 review of long-COVID guidelines.

Designed to address the debilitating symptoms of long-COVID, our 12-week programme combines physical therapy with emotional wellbeing support, and is tailored to the individual's recovery needs.

By the end of 2021, 53 of our fitness and wellbeing centres were running the programme, with over 1,800 participants, far exceeding our initial expectations. Read about the impact the programme has had on one of our beneficiaries and the role our Rehabilitation Specialist played on pages 26 - 27.

1,800+
participants on the programme
by the end of 2021



Joint Pain

In April 2021, we were pleased to restart our free-to-access Joint Pain programme, which had been paused due to COVID-19 restrictions. Launched in 2018, the programme aims to reduce pain, increase mobility and improve mental health, by encouraging sufferers to participate in regular exercise.

Demand for places exceeded our expectations, and we saw more than 2,300 people take part during the year. Feedback has been positive, with 69% of participants achieving clinically significant improvements in their condition. The effects of joint pain can cause depression and feelings of social isolation. Many participants continue to attend sessions at our fitness and wellbeing centres after the structured programme has ended. It gives them a peer group with which to socialise, and motivation to maintain an exercise programme.

At the end of 2021 the Joint Pain programme was operating in 72 Nuffield Health fitness and wellbeing centres, with over 2,363 beneficiaries. All 114 sites will offer the programme by the end of 2022.

69%
of participants achieved clinically
significant health improvements



STAMINA

More than 47,000 men are diagnosed with prostate cancer every year.* Around half 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, in the biggest clinical trial of its kind, to look at the effectiveness of long-term supported exercise, and its impact on improving quality of life, and reducing cancer-specific fatigue, for men undergoing treatment.

*www.prostatecanceruk.org

During 2021, we piloted a fully remote programme at our Chesterfield Fitness and Wellbeing Centre, as a way of mitigating possible future lockdowns. At the same time, we continued to work on our main trial, with the goal to deliver the 12-month programme to 450 men, at 20 of our fitness and wellbeing centres across the country.

A total of 46 employees, including 37 PTs, have been trained to become either clinical exercise or rehabilitation specialists. Our unique ability to utilise our fitness professionals to deliver STAMINA will enable us to scale the delivery of an exercise programme within a broader NHS cancer pathway. In early 2022, the main trial went live at nine sites, partnered with seven NHS Trusts.



CASE STUDY

Conquering COVID-19

When key worker and mother of two, Sarah King, caught COVID-19 in the early days of the pandemic, little did she know it was about to change her life. She became so incapacitated, that just moving from the bed to the bathroom required extreme effort. But then she heard about Nuffield Health's COVID-19 Rehabilitation programme and, with the help of Rehabilitation Specialist Jack Farrow, she began to see light at the end of the tunnel.

Sarah's story

I was fit and healthy, regularly running 10K races, doing spin and exercise classes. I'd never been ill or had time off work, so I expected to shrug off the virus quickly. But I seemed to take one step forward and two steps back. It was an effort to breathe and just getting from the bed to the sofa was an achievement. This cycle went on for months – it really hit me hard. I was lucky to have a supportive family and employer.

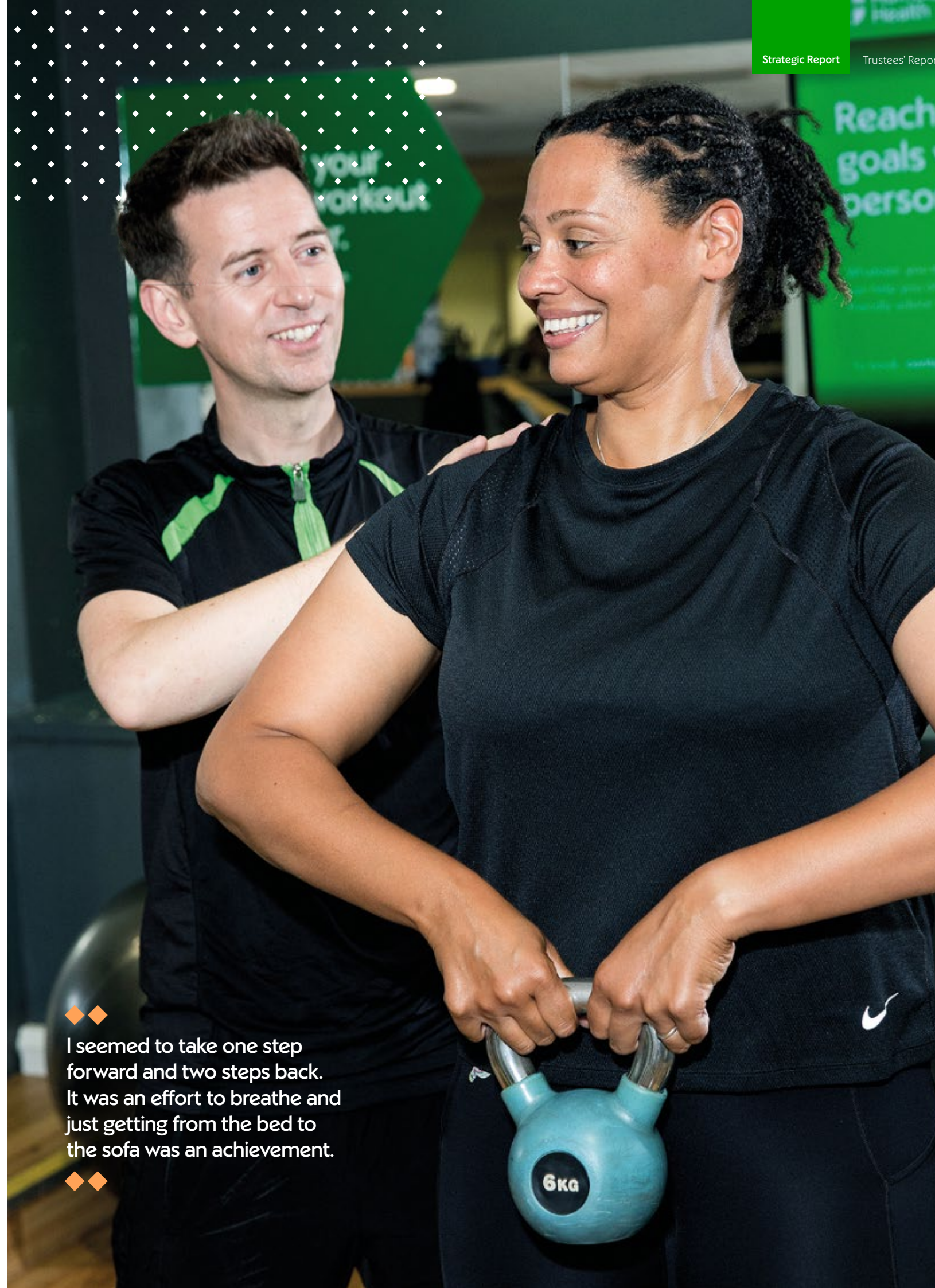
After a year or so, I heard about the COVID -19 Rehabilitation programme. I rang up immediately and was pleased when they said I had passed the criteria and could join a session. Jack called me the next day and told me what to expect, and what would be expected of me. He was very reassuring and said I would be able to go at my own pace.

When I finished the 12-week structured programme, I couldn't believe how far I'd come in that time. I'd started jogging again, was beginning to plan trips with the children, and I was back at work two days a week.

I still go to the gym, with others from the group, and Jack is helping us build workout programmes that are right for us. He keeps in touch and makes sure we're taking things steady – it's about pacing ourselves and being aware about how we feel each day.

Long-COVID is such a debilitating and mentally crushing condition. I know I've still got a long way to go until I'm back to the former me, but I'm just so grateful to Jack and Nuffield Health for giving me such amazing support.

◆◆
I seemed to take one step forward and two steps back. It was an effort to breathe and just getting from the bed to the sofa was an achievement.
◆◆



◆◆
There are levels of depression, low mood and anxiety about 'will I ever be able to do things again?'. Slowly but surely we help them shift that attitude.
◆◆

Jack's story

I come from a dance background and spent 15 years performing around the world. But you can only do that for so long. I joined Nuffield Health at Bromley four years ago, as a PT, and really enjoy being part of the team. Another PT started the COVID-19 Rehabilitation programme but there was such high demand that they asked me help out.

Some of our participants caught COVID-19 in 2020 and have struggled with the after effects. Nuffield Health created this excellent programme, which takes people through a step-by-step recovery plan, at their own pace – there's no competitiveness. It's about finding what works for each individual.

It's not just about physical fitness, it's also about emotional wellbeing. People who come on the sessions are desperate. I can hear it in their voices at the beginning. There are levels of depression, low mood and anxiety about 'will I ever be able to do things again?'. Slowly but surely we help them shift that attitude.

Sarah? Oh my goodness, she didn't miss a beat. She was, and still is, so dedicated to her recovery. She thought she was always going to be bedridden and, in the early days, could only manage a few seated exercises. Now she's doing 45-minute circuits. It was such a moving moment when, at the end of her week 11 group session, she said she was going back to work two days a week. We were all so excited for her. People on the programme are each other's biggest cheerleaders.



Sharing our research to improve the nation's health

Exploring attitudes to health and wellbeing

Our Healthier Nation Index is a unique annual barometer, providing a detailed analysis of all aspects of the nation's physical and mental health.

Launched in 2021, the Index explores attitudes towards key topics, such as the impact of the pandemic on physical and mental wellbeing, barriers to accessing healthcare and how people manage their own health. It also looks at expectations of the role of the NHS, government, charities and employers in improving the nation's wellbeing.

Now in its second year, the research is carried out online with 8,000 adults across the UK asked 30 questions. Answers were split by region, age, gender, ethnicity, household income and more.

Analysis of the survey highlighted several key areas for concern, from mental health to attitudes to food and drink to future health. Our research shows the benefits of even a small amount of exercise, with just 15 minutes a week leading to a boost in both mental and physical health. In response, we launched our 'Find Time for Your Mind' campaign,



encouraging people to #find5, and spend five extra minutes a day exercising and focusing on their mental wellbeing. The campaign is designed to help people proactively look after their wellbeing and kick start the development of healthy habits.

As part of our commitment to deliver public benefit, we invest in research to develop evidence-based practice to improve the nation's health and wellbeing. Accordingly, the findings of our Healthier Nation Index are freely available on our website.

Key findings from our Healthier Nation Index

A survey of 8,000 adults across the UK asked 30 questions about their attitude to health and wellbeing.

To find out more nuffieldhealth.com/healthiernation



37%

of UK adults are now more concerned about their mental health because of COVID-19



40%

of UK adults are now more concerned about their physical health because of COVID-19



60%

say a lack of motivation is a barrier to exercising



42%

have spent no time looking after their mental health



15%

admit to having done no exercise at all in the last year



40%

of women cited embarrassment as a barrier to exercise

Measuring our impact

To help quantify the value we create, over and above our paid-for services, we use a Social Return on Investment (SROI) measurement framework. Using this evidence-based system, we can check the benefits we're making to society and local communities, and see how we can make an even greater contribution in the future.

To calculate the benefits of a particular service, we look at a variety of measures, such as whether the beneficiary's physical health or mental wellbeing will be improved as a result, and whether this might reduce their reliance on a carer or the NHS. In 2021, our SROI topped £18 million, a figure that exceeded our expectations and gives us enormous pride.

£18m

total Nuffield Health SROI in 2021

Looking ahead

We're committed to evolving our SROI framework. To achieve this, we're focusing on three main areas:

- 1 Improving understanding of SROI through better data collection and robust analysis. This will take place across our services, particularly paid-for, where Nuffield Health strives to go 'over and above' that which is offered by competitors.
- 2 Increasing the value of SROI through the expansion of services that create the highest value to more locations and populations; by replicating this success to other services; or by creating new services that have a strong SROI at their core.
- 3 Ensuring SROI plays a prominent role in guiding our overall strategy, alongside other considerations such as continuing to be an inclusive employer, driving environmental sustainability, and focusing on financial return on investment.

Quality assurance and outcomes

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

To achieve this, our people must be highly skilled professionals; processes, practices and procedures must be evidence-based, and meet or exceed healthcare standards; and our technology must be cutting edge.

Our relentless focus on Quality in everything we do protects the organisation's financial sustainability.

Continuous quality improvement

page 32

Launch of PL:AN

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An interview with Tracy Baxandall

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Investing in professional development

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A year of continuous quality improvement

Quality Assurance Framework



SAFETY

Meeting the highest possible standards by avoiding harm, upholding professional standards and acting responsibly



EFFECTIVENESS

Providing evidence-based health and wellbeing expertise and services that lead to excellent outcomes



EXPERIENCE

Being a trusted partner to our patients, members and customers by giving them a positive and reassuring experience

Quality has always been a key focus for Nuffield Health, and it leads the agenda for our Board of Trustees and Executive Board meetings. As we move into the post-pandemic world, with all the uncertainty that brings, everything we do will be evaluated against the three pillars of our Quality Assurance Framework – Safety, Effectiveness and Experience.

Good governance is at the core of continuous improvement and best practice. Throughout 2021 we remained true to our Quality aspiration and continued to apply rigorous analysis to everything we did. This was despite the changing and uncertain operating environment. Our Guiding Principles were regularly updated in line with evidence-based guidance, which translated NHS and government situations into the context of Nuffield Health.

Our steadfast commitment to Quality, and our decision not to compromise, gave us confidence that our care standards were being maintained, despite the changes in activity and service provision. Credit must go to our teams, in every corner of the Charity, for their perseverance and diligence in meeting the challenges.

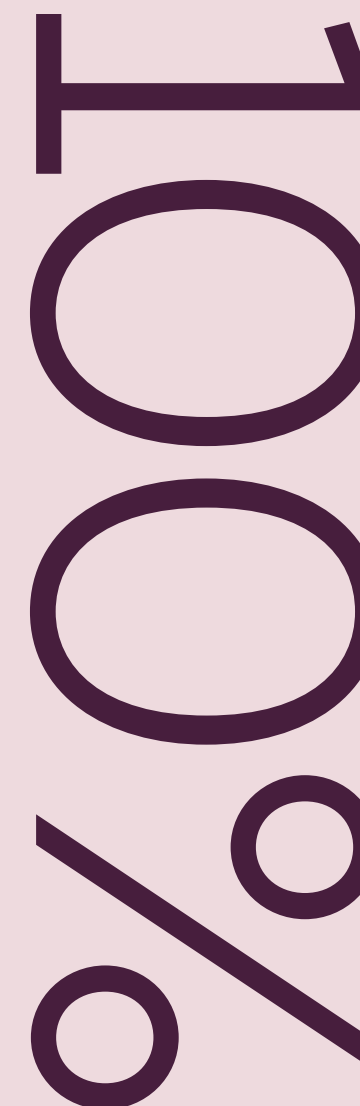
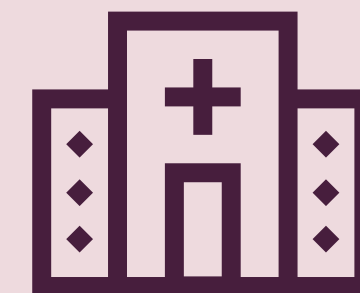


◆◆ We're proud to hold ISO standard certification in all key areas relevant to the Charity, demonstrating our commitment to quality. ◆◆

Industry recognition

Delivering the highest quality care, in a safe environment, to our beneficiaries remained a top priority for us throughout 2021. We were, therefore, proud to receive industry recognition in a number of areas, including the following:

- Chichester Hospital received an Outstanding Care Quality Commission (CQC) rating, with patient care, safety and leadership highlighted
- Our cleaning team was presented with the British Institute of Cleaning Science Award for 'Excellence in Training & Assessment' for our accredited housekeeping training programme, an acknowledgement of our efforts to keep our people, customers and patients safe
- For the second year running, we won the prestigious Nursing Times 2021 Workforce Award for Preceptorship Programme of the Year, demonstrating our commitment to workforce excellence. This nine-month programme prepares newly qualified clinicians for professional success and the delivery of high quality care
- Our Preceptorship Programme was accredited by the Royal College of Nursing in January 2022 and, in March, was awarded the Capital Nurse Preceptorship Quality Mark by Health Education England.



of our hospitals rated Good or Outstanding in 2022 by national regulators*

*This excludes Nuffield Health at St Bartholomew's Hospital, which opened in May 2022 and is yet to undergo CQC assessment

- All our hospitals in England and Wales received the National Joint Registry's (NJR) Quality Data Provider Award. The NJR monitors the performance of hip, knee, elbow and shoulder joint replacement operations to improve clinical outcomes primarily for the benefit of patients, but also to support orthopaedic clinicians and industry manufacturers
- Six Nuffield Health hospitals saw 100% of hip and knee replacement patients improve within the first six months following surgery.** Patient outcomes across all hip and knee replacement procedures were 3% and 6% higher than the national average in achieving a better than expected result.*

Safety culture

Throughout the pandemic, effective incident management was a sustained focus, with all incidents thoroughly investigated and used as opportunities for learning and continuous improvement. We continue to prioritise patient safety and, during the year, put in place a number of improvement initiatives. These included the introduction of weekly incident appraisal

* Taken from the latest NHS Digital publication available at Patient Reported Outcome Measures (PROMs) – NHS Digital (NHS patients only)

** Taken from the latest PHIN publication released on 8 February 2022. Available at PHIN – Health improvement datasheets (private Patients only)

Launch of PL:AN

Our Primary Care Professional Leadership and Assurance Network (PL:AN) was launched in October 2021, with the aim of maximising collaboration in leadership, clinical quality and governance within each of our primary service lines. These include mental health services, physiotherapy, GP, health assessment (physiology) and our newest primary care service line, clinical fitness. Adding clinical fitness to our service line network allows us to implement the same robust leadership and Quality Assurance Framework to our fitness and rehabilitation flagship programmes.

The PL:AN network is led by our Head of Quality for Primary Care, along with a multi-disciplinary leadership team comprising of national and regional leads for each service line. All of our leads maintain active clinical practice so that strategic decision-making is always beneficiary-led, and grounded in frontline service delivery. The PL:AN methodology ensures that Quality standards are visible across all primary care service lines, it also empowers connection - allowing clinicians regular and close contact with central clinical leadership teams.

Benefits include:

- enhanced levels of clinical support to clinicians delivering services to our beneficiaries
- greater visibility of quality and clinical performance for all service lines
- improved communication at site and regional level
- direct local support for those responsible for operational delivery and management of services
- multi-disciplinary team to support a consistent approach to professional education and development strategies
- collaborative working on new service lines.

Since the launch, we've seen improvements in employee satisfaction and engagement, communication, and Continual Professional Development (CPD) activity.



The PL:AN network improves our clinical quality, experience, and effectiveness across Primary Care, as well as helping to evolve and drive forward our connected health services.



Marc Holl, Head of Quality for Primary Care

forums to facilitate expedient incident management and early identification of trends, themes, and preventative actions.

Our 2021 improvement plan focused on system, process, and cultural enhancement to help us embed a culture of openness and psychological safety, where all employees, irrespective of their level, are empowered to speak up. As part of this, a network of Freedom to Speak Up (FTSU) ambassadors has been developed across the Charity. They will support employees with the appropriate escalation of concerns or feedback. In addition, we maintain a confidential, independently managed, Safecall hotline, which is accessible 24/7.

A designated Head of Safety Culture has been appointed to take the lead on FTSU strategy. They will be responsible for setting up and maintaining a robust Speak Up framework that facilitates openness, psychological safety, and constructive dialogue. Developing and embedding this framework will be a key priority over the next year.

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).

Eight Never Events were identified in 2021 (an increase of three compared to 2020), with five relating to ophthalmology. Thematic analysis of the events identified several commonalities. There was a clear requirement to reset our standards following the adoption of unique ways of working during the early phases of the pandemic. In response, during the third quarter of the year, we launched an extensive, three-stage, Safety Incident Reset Plan:

Stage 1 – review and reset

Review levels of knowledge, compliance, and effectiveness of safety incident processes, and reset these to organisation standards. A subject matter expert was appointed to appraise the three ophthalmology Never Event incidents, evaluate current pathways against best practice standards and consider opportunities for pathway optimisation.

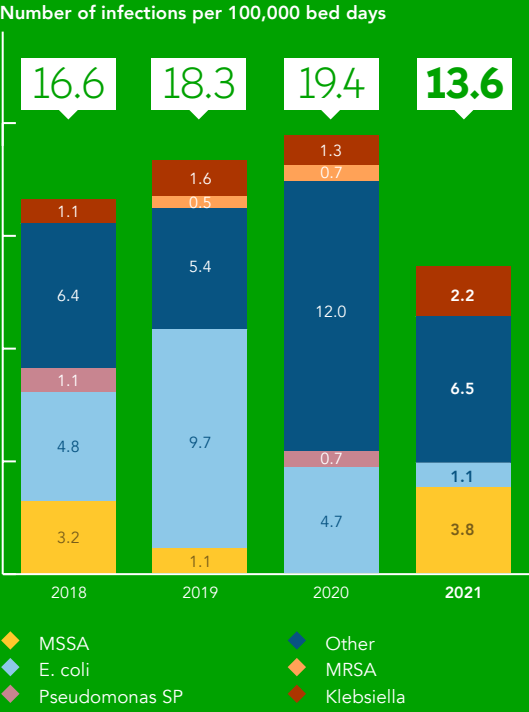
Stage 2 – reorientate

System and process initiatives, which reorientate teams to safety practices that are clinically effective, ensuring people are aware of, and adhering to, policies and procedures supporting the delivery of safe clinical care.

Stage 3 – re-energise

Cultural initiatives that aim to re-engage teams with best practice, enhancing levels of safety culture, facilitating conscious competence and zero avoidable harm.

Bloodstream infections



Avoidable infections

Nuffield Health maintains high standards of infection prevention and control, which contributes towards the maintenance of a safe environment for our patients. 2021 saw a decrease in the overall number of avoidable bloodstream infections from 19.4 to 13.6 per 100,000 bed days, compared with 2020 (see chart).

- No cases of MRSA bloodstream infections were recorded, with only one case in the last 10 years
- E.coli infections continue to fall, with a further reduction by three quarters (4.7 in 2020 to 1.1 in 2021). The remaining cases were related to immune-compromised oncology patients, who are a higher risk cohort
- Other bloodstream infections decreased by a third
- Five cases of Clostridioides Difficile were identified. Four were classed as community-acquired (no Nuffield Health interventions); the remaining case was attributed to the hospital due to an extended course of antibiotics prescribed outside the antimicrobial formulae.

All infections are subject to rigorous investigation, with learnings captured by local and organisational improvement plans.

Hospital Sterile Services Units

In 2022, our seven Hospital Sterile Services Units (HSSUs) will celebrate 15 years in operation. Each plays an important role in the fight against infection as they safely disinfect, sterilise and deliver surgical equipment on a large scale. Our HSSU Quality Management System ensures each site manufactures and supplies products and services that consistently meet customer and regulatory requirements. In addition to servicing Nuffield Health hospitals, they provide services to other healthcare organisations, including the NHS, general practitioners and clinics.

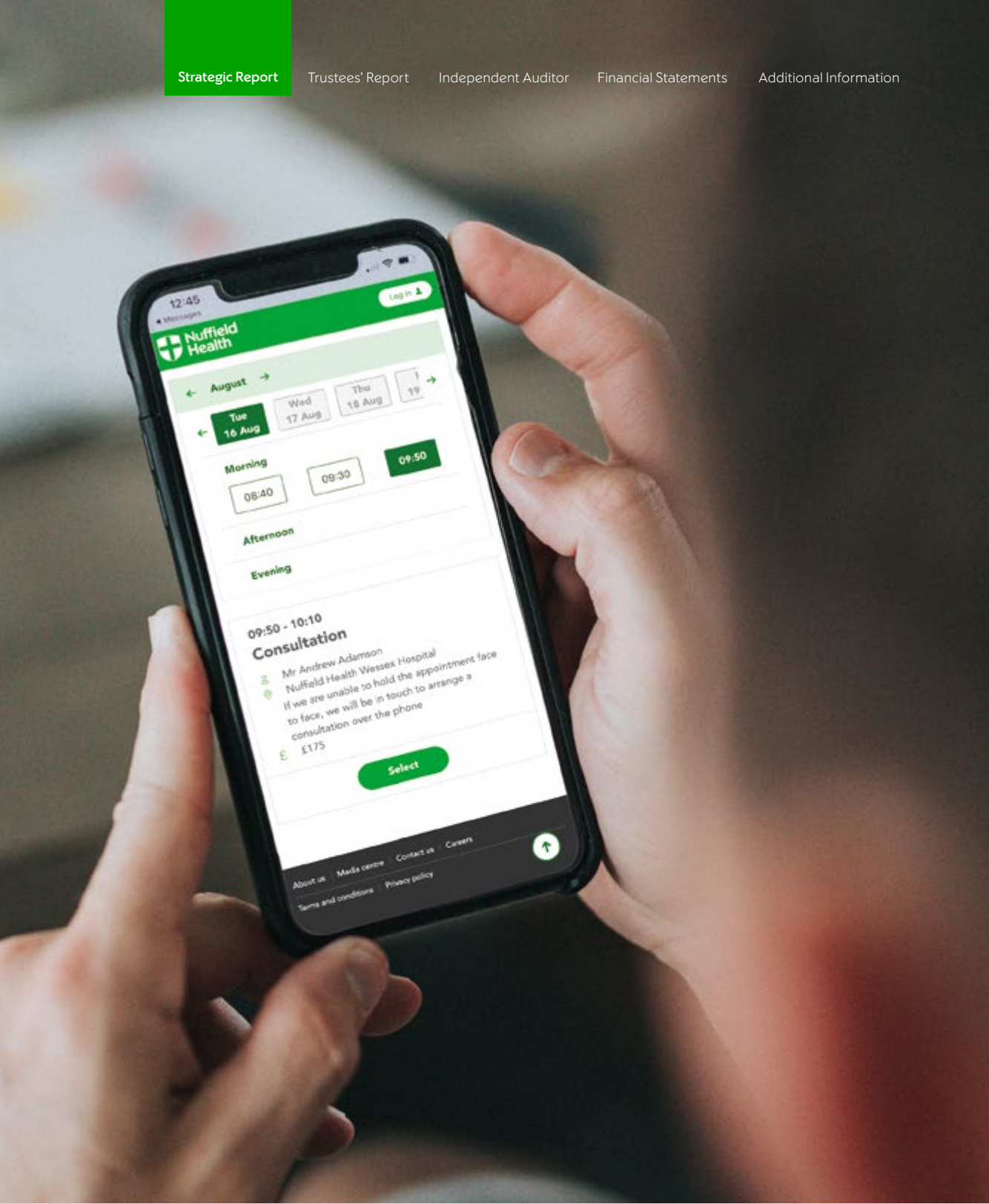
HSSUs are accredited processors of reusable medical devices and the British Standards Institute (BSI), monitors our registration and carries out annual surveillance audits. During 2021, our Wetherby HSSU became the head office for BSI ISO 14001 and was recertified to that standard. A further four sites were audited to the ISO 14001 management standard, and maintained accreditation. This means all seven HSSU sites hold this important registration.

BSI ISO 14001 helps identify improvements in recycling opportunities and measuring consumption of utilities including gas, electricity and water, thereby limiting our impact on the environment.

Our HSSU Statutory Compliance Lead successfully undertook the BSI ISO 14001 lead auditor course in 2021, and now has the skills and expertise required to conduct full Environmental Management System (EMS) audits to ISO 14001:2015 standards.

Online consultant booking

We're always looking to improve the experience offered to our patients. In September 2021, we launched an online booking platform to allow people to book appointments with their chosen consultant. Already, 48% of our consultants have made their diaries available to the system. More than 9,800 appointments have been made since the launch, with an average of 400 people using the online booking service each week.



48%

of consultants have made their diaries available to the system

9,800

appointments have been made since the launch in September 2021

400

people use the online booking service each week

An interview with...

Tracy Baxandall, Infection Prevention & Control Specialist Nurse,
Nuffield Health at St Bartholomew's Hospital

Describe your role

I'm the Infection Prevention Lead Nurse at Nuffield Health at St Bartholomew's Hospital, our new hospital in the City of London. In a nutshell, I'm responsible for ensuring measures are in place to prevent patients contracting infections when in our care, and for making sure all our people, whatever job they do, are aware of the part infection prevention and control plays in keeping our patients safe.

What's your background?

I've been an infection prevention nurse for 27 years, and was one of the first to undertake a specialist three-year BSc degree in infection prevention and control following my nursing registration. In my early career I was a ward sister, specialising in cardiothoracics, so I'm excited that Nuffield Health at St Bartholomew's Hospital will be a centre of excellence for cardiac and thoracic surgery.

What's your first priority?

Training. Everyone employed at the hospital must understand our processes and know just how critical infection prevention and control is, particularly when we're caring for immuno-compromised patients, and those undergoing major surgery. Everyone goes through an infection prevention and control induction, whether they're in clinical or non-clinical

roles. And then there are mandatory annual updates. Training is a mix of online modules, classroom sessions and practical assessments, which include hand hygiene and aseptic non-touch technique (ANTT), to ensure sterility is maintained when invasive procedures are carried out on patients.

What sets Nuffield Health apart?

We've always been ahead of the game in respect of infection prevention and control. Strict processes are in place for policy development, staff education and training.

We also have an Infection Prevention help desk, which I think is quite unique and is accessible for the whole Charity. Plus a rigorous audit programme, which includes quality assurance reviews of hospitals and non-acute sites, to make sure standards of infection prevention and control are as we would expect.

Our training programmes promote best practice, and our policies underpin this, but it's our audits that monitor and ensure that our standards are high.

What are you passionate about?

The pandemic highlighted the importance and necessity of our role and brought us to the forefront of patient and employee safety. I'm passionate that we maintain this recognition and value.

What are you most proud of?

In England, there's a shortage of specialist infection prevention nurses. During my career I recruited, trained and mentored four, all of whom attained the BSc degree in infection prevention. I think that's an important contribution to the bigger picture.

What excites you about the future?

Seeing Nuffield Health at St Bartholomew's Hospital operating at full capacity, and demonstrating our excellence through accreditation schemes such as ANTT, which requires the highest level of excellence in aseptic technique. The accreditation has three levels and we're definitely going for gold!

◆◆ The pandemic highlighted the importance and necessity of our role and brought us to the forefront of patient and employee safety. I'm passionate that we maintain this recognition and value. ◆◆





Healthcare needs are becoming more complex and we have to keep evolving our teams and services to meet those needs.



Investing in professional development

Quality improvement is integral to everything we do and our physiotherapy team is no exception. During the year, they carried out over 633,000 sessions, often acting as the first point of contact for a patient, ahead of their GP. They assess, diagnose and manage the care of patients across a range of healthcare issues, including musculoskeletal and cardiothoracic.

In 2021, Nuffield Health's physiotherapists played a key role in our response to COVID-19, with many seconded to our hospitals as they supported the NHS in the fight against the virus. Others moved from face-to-face consultations to offer a virtual service, with a small team delivering the clinical triage component of our COVID-19 Rehabilitation programme.

During the year, we launched our first communication and engagement project to find out what team members felt could be improved. As a result, in September, we launched a clinical supervision pilot involving five sites. This gave teams in similar geographical areas the opportunity to engage in virtual discussions sharing clinical case studies, developments in physiotherapy practice, views and new ideas. Results from the pilot were positive, with team members welcoming the opportunity to discuss clinical cases, and learn from others. The model is now being rolled out nationally.

633,000
physiotherapy sessions delivered during the year



CASE STUDY

Working together to share best practice

Laura Mould is the national inpatient and respiratory lead physiotherapist, based at Nuffield Health's Leeds Hospital. During her time with the Charity, she's been involved in a number of national projects, where she's met physiotherapists from across the Charity. So she welcomes moves by the new senior leadership team to bring everyone together with monthly regional huddles, and new clinical supervision sessions.

"It's important to have experience and understanding of what's going on in other areas, and the huddles give us all the opportunity to work together and share best practice," she says.

Following a communication and engagement exercise to find out what people felt could be improved across the wider physiotherapy group, investment for Continuing Professional Development (CPD) has been

increased. "Healthcare needs are becoming more complex and we have to keep evolving our teams and services to meet those needs, so I think investing in professional development will benefit the Charity overall, as well as individuals," she says.

Laura has herself recently signed up for a three-year MSc Advanced Clinical Practitioner (ACP) apprenticeship, which focuses on advanced clinical practice, leadership and management, and education and research.

"ACPs are widely used in the NHS as an efficient and cost effective way to offer experience and expertise, as they can expand their scope of practice in caring for and treating patients," explains Laura. "Although fairly new within Nuffield Health, they could be an important part of our future in standardising patient care and services. Nuffield Health is constantly evolving and provides lots of opportunities for people to get involved and help shape that evolution," she says. "CPD is one of those opportunities."

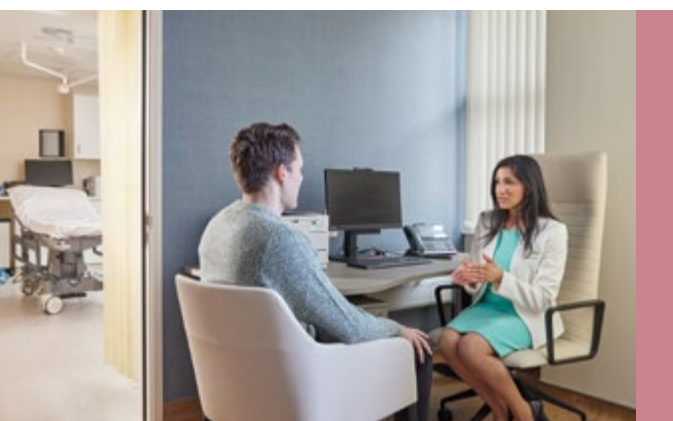
Our Continuing Professional Development (CPD) budget has been significantly increased and the application processes have been standardised. Take-up so far has been encouraging and, following conversations with the team, in future 10% of a physio's time will be dedicated to professional development and engagement. Nuffield Health recognises the impact of further education, training and clinical supervision, on clinical quality and personal and professional development. The increased CPD time will provide greater career progression opportunities, enhance job satisfaction, and drive Quality standards.

Over the coming year, we'll evaluate our CPD framework for other professional groups, with the aim of replicating the successes of this initiative.

Communication remains high on the Quality agenda, and monthly 'huddles' are keeping team members up to date with what's going on within physiotherapy and the Charity, as well as providing useful operational information and a chance for discussion.



We built the City of London's first independent hospital



An exciting milestone was reached in May 2022, when we opened the doors of Nuffield Health at St Bartholomew's Hospital, the City of London's first independent hospital.

In 2018, Nuffield Health acquired the lease of the former St Bart's pathology and residential staff quarters, and invested £70 million into transforming the building into a state-of-the-art centre of medical excellence.

The hospital specialises in cardiac surgery, cardiology, orthopaedics, cancer care, and women's health. Twenty-six consultation rooms, four advanced operating theatres and a wide range of diagnostic and physiotherapy are just some of the facilities and services available. Operating theatres feature live streaming technology, providing opportunities for world-class training and the sharing of clinical knowledge.

Our unique cardiac care pathway includes rehabilitation where patients have dedicated specialist support from diagnosis, through treatment and then on to rehabilitation. Specialist fitness and dietary experts are on hand, with the aim of improving the patient's long-term health.

Emotional wellbeing services and Cognitive Behavioural Therapy (CBT) are also available.

Nuffield Health at St Bartholomew's Hospital is part of a new health and wellbeing campus, giving connectivity to our recently opened fitness and wellbeing centre in the Barbican, as well as to any one of our medical centres, or fitness and wellbeing centres across London, and within the M25. (See pages 48-49)



We are proud to be providing a unique connected cardiac care pathway that supports patients from diagnosis, through treatment and then onto specialist rehabilitation support.



Anthony Fitzgerald, Matron
Nuffield Health at St Bartholomew's

£70m

invested to transform the building into a state-of-the-art centre of medical excellence

55

residential patient rooms, with en-suite, interpretation and translation services

26

consultation rooms


1

dedicated physiotherapy centre

Quality awards for a quality year


During the year, we won a number of industry awards recognising the Quality of our approach to providing safe environments and quality outcomes for our beneficiaries, and excellence in our training and development programmes.

Chief Nursing Officer Silver Award

 Presented to Chris Finch, Quality Lead for Infection Prevention, for leading all our infection prevention and control elements during the pandemic response. The Award is usually reserved for nurses and midwives within the NHS.




British Institute of Cleaning Science (BICS) Award

 Award achieved for Excellence in Training and Assessment. Related to BICS-accredited training for housekeepers. The first to be awarded in the independent sector.




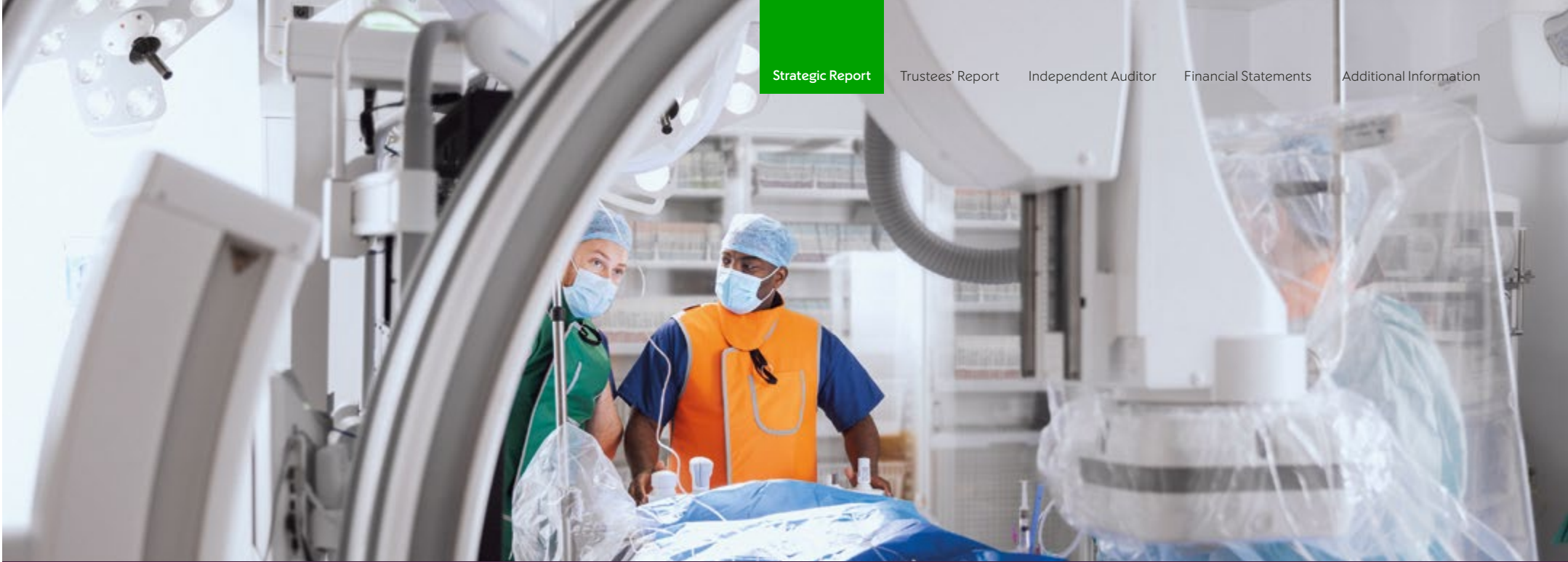
Preceptorship of the Year Award

 Presented by the Nursing Times. Our second consecutive win in this category, the award recognises our long-standing programme and acknowledges our commitment to professional development and educational excellence.



Healthy Communities Award

 Presented by ukactive, in recognition of our free-to-access COVID-19 Rehabilitation programme. Run by our experts, the programme helps those suffering from the effects of long-COVID, using a blend of physical therapy and mental wellbeing support.



Quality improvement plan for 2022

1

Speak up and safety culture

What we plan to do

- ◆ Establish an Executive/Trustee lead responsible for 'Freedom To Speak Up' (FTSU). Focus on leadership role model initiatives that highlight compassion and facilitate increased levels of psychological safety
- ◆ Establish a Head of Safety Culture role. Create a network of operational FTSU guardians to promote a healthy culture and respond to local concerns
- ◆ Develop a new FTSU strategy, that enhances case management/ data collection, and triangulation of information, to ensure continuous learning and improvement
- ◆ Deliver a FTSU improvement plan to align with the National Guardian's Office (NGO) guidance and expectations of best practice
- ◆ Expand network of FTSU ambassadors/ champions in all settings and services, deploying the necessary support so these can be fully developed
- ◆ Establish availability of the NGO and Health Education England's FTSU training as mandatory for all employees.

2

Enhanced assurance across our hospitals

What we plan to do

- ◆ Develop an evidence-informed assurance tool that facilitates safe and effective care delivery and quality improvement through subject-matter-expert-led service appraisal
- ◆ Roll out a programme of Hospital Quality Reviews (HQRs) that evaluate core and specialty service provision, providing each site's senior management team with a benchmark of quality care
- ◆ Utilise learnings from HQRs to prepare sites for regulatory inspection, identifying innovative and outstanding practice and opportunities for enhancement, and providing support to facilitate full compliance with regulatory and best practice standards.
- ◆ Implement a new Quality and Risk Management System (RMS) that enhances the effectiveness of our current quality infrastructure through improved data capture, analysis, and automation.

3

Multi-disciplinary teams (MDT)

What we plan to do

- ◆ Enhance internal assurance relating to cancer multi-disciplinary compliance, through monthly auditing and the embedding of Nuffield Health's fundamental standards
- ◆ Pilot and roll out digital platform facilitating effective MDT discussions
- ◆ Evaluate MDT processes in our newly acquired hospitals, ensuring they meet or exceed our fundamental standards
- ◆ Continue to drive improvement in MDT management, through auditing and benchmarking activities
- ◆ Utilise learnings to improve the quality of MDT processes Charity-wide.

4

Workforce development

What we plan to do

- ◆ Launch our Green Healthcare Leadership programme, in partnership with the Florence Nightingale Foundation, and facilitate leadership development and nurse-led service improvements that provide sustainability benefits
- ◆ Continue to invest in vocational initiatives that evolve existing career pathways and enable us to 'grow our own' talent, and explore new opportunities to facilitate internal mobility, workforce development, and innovation
- ◆ Develop, pilot and evaluate advanced practice frameworks in line with established models and best practice, and assess impact on service provision
- ◆ Launch third cohort of our Theatre Managers' Programme, and equip theatre managers with best practice skills that nurture cultural excellence, operational efficiency and high quality perioperative care.



Connected health

Our connected healthcare model joins together our network of experts and facilities with online digital services. This ensures our beneficiaries receive a personalised care service, from prevention and keeping well, through to diagnosis and treatment, and rehabilitation and recovery.

Connected healthcare has never been more important, as digital technology is changing the way people access and interact with healthcare professionals.

By offering connected healthcare that focuses on making the nation fitter, healthier, happier and stronger, we will improve the experience and outcomes for our beneficiaries.



Expanding our London network

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Read about Jill's wrap-around care

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Using technology to connect

p52

Expanding our London network

A first for Nuffield Health

November 2021 saw the opening of our new state-of-the-art fitness and wellbeing centre in the Barbican, deep in the heart of the City of London. It's linked to our new hospital, Nuffield Health at St Bartholomew's, which opened in May 2022. Together, they create the first health and wellbeing campus in London.

The Barbican is our 114th fitness and wellbeing centre. It features a multi-million-pound gym floor, athletic zone, 25m heated indoor pool and spa facilities, dedicated prehab and rehab area, and four exercise studios offering a wide range of classes.

The onsite medical centre boasts 20 clinic rooms offering a full range of services, including health assessments, private GP services, a travel clinic, physiotherapy and mental health support. An onsite pathology lab will service our London clinics and an external customer base.

The fitness and wellbeing centre also offers two of our free-to-access flagship programmes, the award winning COVID-19 Rehabilitation, and Joint Pain, run by our specialist personal trainers. (See pages 24-25 for more on our flagship programmes).

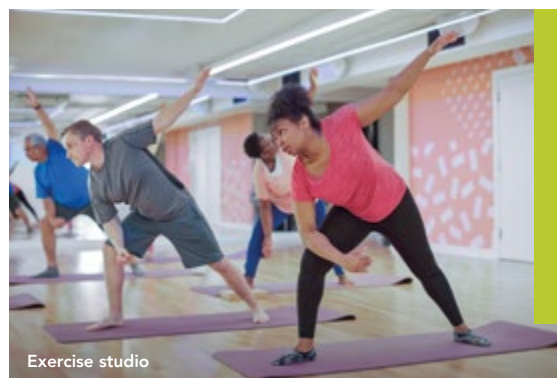
The opening in November coincided with draft guidelines issued by the National Institute for Care

Excellence (NICE), which reflected the growing shift towards approaching health in a connected way, with treatments such as exercise, meditation, mindfulness and therapy recommended ahead of prescribing medication for the treatment of conditions such as less severe depression. It's also recognised that hospital patients recover more quickly when they have access to a range of post-operative rehabilitation facilities.

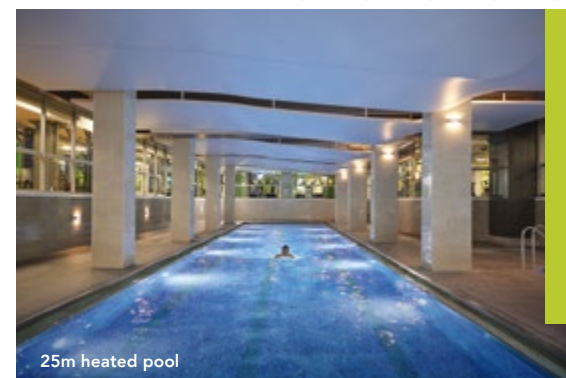
Opportunities for Nuffield Health at St Bartholomew's Hospital to work cohesively with our Barbican Fitness and Wellbeing Centre will be maximised. And, while patients will have access to the hospital's industry-leading consultants,

comprehensive outpatient diagnostic testing, and industry-defining specialised rehabilitation, they will also be able to draw on the wide range of Nuffield Health facilities across London. This includes eight medical centres, 35 fitness and wellbeing centres and our new acquired Aspen hospitals.

Bringing connected healthcare to the heart of London is an exciting milestone for Nuffield Health and the culmination of a long-held ambition. People across the capital are struggling with fall-out from the pandemic, and our new health and wellbeing campus will showcase best in class facilities and specialists to help them get fitter, healthier, happier and stronger.



Exercise studio



25m heated pool

Bringing connected healthcare to the heart of London is an exciting milestone for Nuffield Health.

Chris Blackwell-Frost
Chief Strategy Officer



Reception area, Nuffield Health at St Bartholomew's Hospital



CASE STUDY

Connecting healthcare services together

'Wrap-around care' is how grandmother, Jill Adams, describes her experience with Nuffield Health.

The care started with her first meeting with Orthopaedic Surgeon, Mr Simon Coleridge, and continued through surgery, nursing and aftercare. Connecting a range of healthcare services from across Nuffield Health's hospitals and fitness and wellbeing centres ensured Jill had the support she needed to get well and stay healthy after her knee replacement surgery.

Having suffered agonising knee pain for almost 15 years, Jill asked her GP about the possibilities of surgery through the NHS. She was told to expect a 48-week wait, and maybe longer.

"The pain was so bad, I couldn't sleep," recalls Jill. "I wanted something done about it as soon as possible, so I could get back to cycling and walking. Nuffield Health Hospital, Plymouth, has a great reputation and I have private health insurance, so I made an appointment.

Mr Coleridge explained to Jill the implications of the proposed surgery, and warned there was no guarantee she would ever have enough flexibility in her knee to get back on her bike. Nevertheless, she decided to go ahead and, six weeks before the operation, attended the Nuffield Health Joint School, where she learned what would happen before, during and after her procedure.

"By the time I went in for surgery, I was very well informed," she says.

Much to Jill's delight, she was up and walking within 24 hours of the operation. A week later, she started a four-month programme with Physiotherapist, Jacob Herman, alongside a three-month personal training programme, under the guidance of Personal Trainer, Dave Jack.

"It's been a long road to recovery," says Jill. "But with the wrap-around care provided by Nuffield Health, and the effort I've put in, I'm now doing everything I was before, and I'm pain free."

With the wrap-around care provided by Nuffield Health, and the effort I've put in, I'm now doing everything I was before, and I'm pain free.



Using technology to connect

Nuffield Health 24/7

Our online fitness and wellbeing platform, Nuffield Health 24/7, is helping us deliver connected health, anytime, anywhere.

During 2021, we saw impressive growth in the number of subscribers accessing the content. By the end of the year, 65,000 people, including fitness and wellbeing centre members, corporate users, and paid subscribers, had signed up. And by the end of July 2022, this figure stood at over 100,000.

Sessions range from intensive high-octane workouts, through to relaxing, spiritual healing and emotional wellbeing classes, with subscribers paying £6.99 a month for full access to this standalone service.

Electronic patient records

Implementation of our Nuffield Health Electronic Patient Record (NEPR) programme, using the TrakCare system continued during the year. TrakCare is now operating in five hospitals, with four more due to go live before the end of 2022. This represents a huge step in our journey to implement a full digital patient record system.

TrakCare allows us to share relevant clinical information with other healthcare organisations, and maintain our ability to work closely with the NHS in the future. It provides an effective way to access and

update accurate, real-time, patient care information, via digital channels, while delivering a complete electronic record for each patient, which is accessible to all Nuffield Health consultants and clinicians.

In line with our Quality standards, TrakCare is easy to audit and access across multiple users. It allows us to respond effectively to the increasing regulatory focus on Quality, safety and transparency in respect of clinical audit and complete practice appraisal.

NEPR is critical to our drive to deliver connected health across the Charity. Implementation will continue through 2022 and 2023, in line with our aim to provide a fully deployed system across our hospital estate by the end of 2024.

Digital triage

A Digital Triage product will be launched in 2022 enabling patients to self-assess muscle and joint problems by completing a series of questions. It directs patients to the recommended healthcare professional, or self-management technique, and produces detailed clinical reports, which can be assessed by the patient and therapist via portals.

As more patients use the digital self-assessment, we hope to be able to reduce the number of hours spent on triage services. This will be the first digital tool introduced by Nuffield Health and we'll be closely monitoring its effectiveness.



374,346
NH 24/7 views in 2021

65,000
subscribers to NH 24/7 digital fitness platform

607
videos available on NH 24/7

59,000
hours of videos watched



Brand trust

As the UK's largest healthcare charity, it's important for us to have a strong and trusted brand. This will help us attract and retain employees and beneficiaries, and enable us to support more people with their health and wellbeing.

Our people are the face of the brand. We engage with them regularly and listen to their feedback. They're fundamental to our reputation and success.

We're always looking at new and innovative ways to improve the brand experience for our beneficiaries, in order to make sure they receive the highest quality care and support every time they come into contact with Nuffield Health.

Building a trusted brand

p56

The face of our brand

p57



Building a trusted brand

A well-known and trusted brand not only helps draw new beneficiaries, it also contributes towards attracting and retaining talented employees. In 2021 we continued to build and promote the Nuffield Health brand, and its purpose to build a healthier nation. Our aim was to increase awareness of the Charity, and its unique connected health proposition and multiple service lines.

September 2021 marked the start of the third phase of our brand advertising strategy. Our 'How you feel tomorrow, starts today' campaign raised awareness amongst the wider population of the extent of our services and encouraged people to think more seriously about their health and fitness. A key message was the importance of maintaining a regular exercise routine through difficult times.

The campaign ran until the end of December and was featured on a range of channels, including TV, radio, digital audio services and social media. Research showed that, after last year's record high, our spontaneous awareness score had not grown as we'd hoped. We believe this is largely because the increase in advertising costs meant we were getting less media time for our investment. However, we were delighted to see our score for total brand trust increase and this is something we'll build on through 2022.

In addition, we ran a London-specific campaign to support the opening of our fitness and wellbeing centre in the Barbican, and the opening of our new hospital, Nuffield Health at St Bartholomew's Hospital. Both are in the heart of the City of London,

creating the core of our London campus. Research confirms that the campaign was successful in helping Londoners understand the full breadth of our offering.

It's important to us that our beneficiaries receive high quality care and support every time they come into contact with Nuffield Health. So, we're always looking at new and innovative ways to improve the brand experience. Satisfaction surveys, Net Promoter Score and patient forums are just three methods we use to help us understand what more we can do to delight people that come into contact with us.

We're currently looking at new ways to develop the brand, in order to have a consistent presence in the media throughout the year, rather than relying on two distinct campaign periods. In 2022, we'll be establishing a high profile brand partnership with an organisation that complements our values and our purpose to build a healthier nation. We believe this will help extend our reach to people living on lower resources or in under-served communities.

The face of our brand

Our 16,400 people are the face of the Nuffield Health brand. They deliver services to our beneficiaries every day of the year, with passion and enthusiasm – they are our brand ambassadors.

We expect our leaders to listen to the views of their teams about what's working well, and where there's room for improvement. Suggestions and ideas are taken on board and used to influence our brand strategy. By engaging with our people, and gaining their support and enthusiasm for our values, we'll succeed in building both the Nuffield Health brand and a healthier nation.

◆◆ I love Nuffield Health's goal of building a healthier nation, and really wanted to be part of it. Reputationally, they're a well-known organisation that customers trust.

◆◆ Casey Simmons
Personal Trainer





Financial sustainability

The Charity's financial sustainability objective reflects the Board's focus on ensuring that the Charity's activities generate sufficient funds to ensure sustainable investment in our people and our facilities to support the achievement of our purpose.

The Charity delivered a strong financial performance in 2021 which was higher than management's expectations.



Our new Barbican Fitness and Wellbeing Centre is a key part of our connected London campus

A year of steady recovery and growth

Performance during Q1 was broadly in line with management's expectations. The Charity's fitness and wellbeing sites remained closed and 29 of the Charity's 31 hospitals were operating under the NHS contract.

A return to more normalised trading from Q2 to Q4 saw strong growth with hospital revenues performing consistently ahead of management's expectations, and benefiting from people converting to the independent healthcare sector to avoid the NHS's lengthy waiting times for non-urgent procedures. By the end of 2021, the Charity's consumer fitness membership had recovered to 329,000 members, 49% higher than at the end of Q1 when the sites reopened, benefiting from people prioritising exercise for both the physical and mental wellbeing benefits widely publicised during the pandemic.

In September 2021, the Group acquired five Aspen hospitals from Northwest Healthcare Properties, and disposed of our Woking Hospital freehold, leasing back the property, with an associated profit on disposal of £6.4 million reported within adjusted EBITDA.

Group turnover increased on 2020 by £209.0 million (26.8%) to £988.5 million. The Group continued to exercise control around operating expenditure, achieving an adjusted EBITDA of £77.5 million, an increase of £63.5 million on 2020 and a net deficit after tax of £32.8 million (2020 – £92.4 million). Aspen contributed £1.1 million to the adjusted EBITDA of the Group. Please refer to page 62 for a detailed breakdown of adjusted EBITDA.

Hospitals

In January to March 2021, Nuffield Health continued to provide contracted capacity to the NHS alongside treating private patients. The Group transitioned from a relevant cash cost recovery for its services to an activity-based compensation metric before cessation of the contract at the end of March.

From April, the hospitals responded to significant demand for self pay services, which steadily increased throughout the year. Revenue from hospital services, was £749.0 million in 2021, of which Aspen contributed £32.4 million in the last quarter. This represents a £191.8 million increase against 2020, and a £127.2 million increase against 2019.

Wellbeing

Consumer fitness

Consumer fitness services reopened to the public on 12 April 2021 and membership steadily and consistently grew to a closing position of 329,000 members. Consumer fitness services generated £189.3 million revenue, an increase of £61.1 million against 2020, and has recovered to 62% of pre-pandemic levels (360,000 members).

Corporate fitness

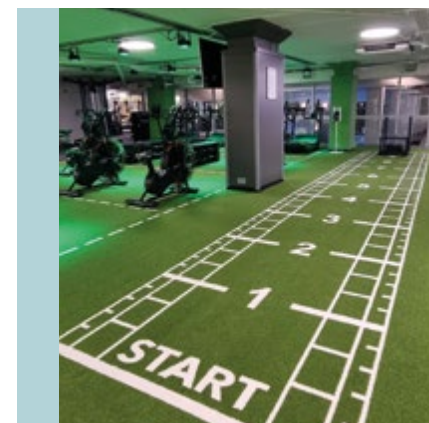
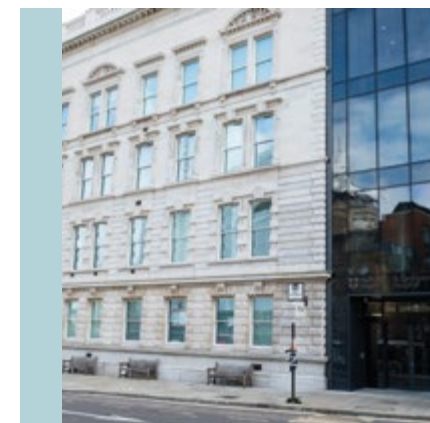
Corporate fitness facilities reopened during the course of 2021 as corporate clients returned to work. Revenue increased by £5.6 million to £23.3 million (32%) against 2020. A number of smaller corporate fitness facilities closed permanently during the year.

Clinical services

Physiotherapy, health screening and emotional wellbeing services all remained constant throughout

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. Capital investment in 2021 focused on the finalisation of our London-based St Bartholomew's Hospital construction, the delivery of system transformation programmes and continued asset replacement across the property portfolio. Capital investment was £67.7 million (2020 – £48.7 million).



2021, delivering £26.9 million revenue, in line with 2020 although still 67% lower than 2019.

Operating surplus

Operating surplus before adjusting items was £1.9 million, a £66.5 million improvement on 2020, and £14.0 million lower than 2019, reflecting the impact and recovery from the COVID-19 pandemic. The impact of the pandemic was still in force at the beginning of the year, with government enforced closures of fitness facilities. As such the Group mitigated the impact with continued cost mitigations, focusing on essential operating expenditure only and through government support including its Coronavirus Job Loss Retention Scheme, which mitigated the deficit by £19.4 million.

Adjusting items

Adjusting items were £17.2 million (2020 – £9.5 million). Adjusting items relating to impairment of

fixed assets and onerous lease provisions were £11.4 million (2020 – £6.7 million) and exceptional items relating to reorganisation and transformation activities of £5.8 million (2020 – £2.7 million).

Interest

Net interest charges of £17.5 million (2020 – £18.3 million) were lower than the previous year due to a favorable movement in interest rate derivative, and reduced retirement benefit costs over the year.

Net deficit and reserves

The results contributed to a net deficit after tax of £32.8 million (2020 – £92.4 million deficit). The annual actuarial valuation of the pension schemes gave rise to an actuarial gain of £54.1 million (2020 – £22.6 million loss), resulting in net liabilities of £54.6 million (2020 – net liabilities of £76.5 million). Net debt increased by £15.8 million to £418.9 million, which reflected the settlement of rent arrears as the leased gym facilities reopened after the government enforced closures. Total restricted funds of £0.8 million and permanent endowments of £0.1 million are included in the Charity reserves.

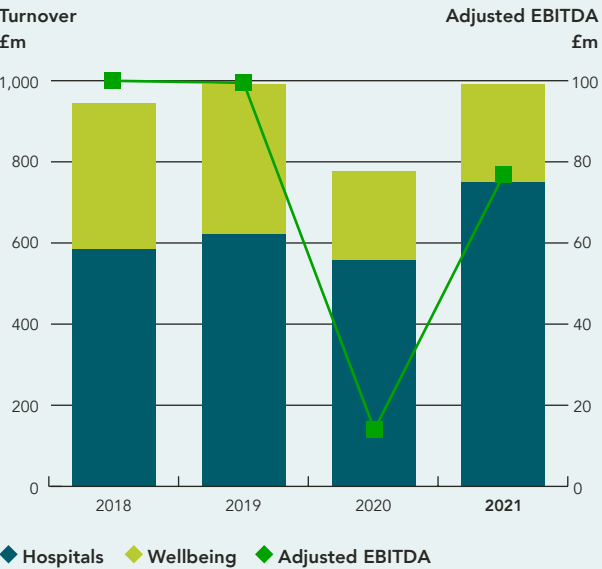
The Trustees scrutinise the financial sustainability of the Charity through regular reviews of cash forecasts and budgets, and do not set a reserve target. The Charity aims to use the majority of surplus cash to invest in operational assets and infrastructure that improve the quality of, or increase,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

£67.7m
capital investment
(2020 – £48.7m)

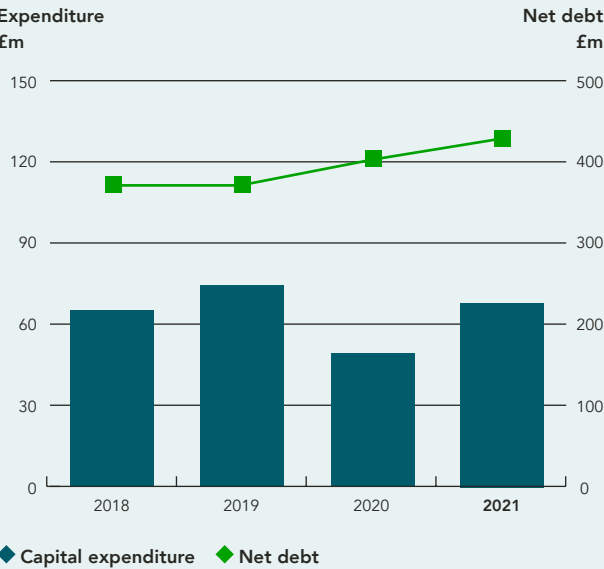
Key financial indicators

<div>Group turnover</div> <div>2021</div> <div>£989m</div> <div>2020</div> <div>£780m</div>	<div>Adjusted EBITDA*</div> <div>2021</div> <div>£78m</div> <div>2020</div> <div>£14m</div>	<div>Adjusted EBITDA* as percentage of Group turnover</div> <div>2021</div> <div>7.8%</div> <div>2020</div> <div>1.8%</div>	<div>Operating surplus/(deficit) before adjusting items</div> <div>2021</div> <div>£2m</div> <div>2020</div> <div>£(65)m</div>
<div>(Deficit)/surplus after tax</div> <div>2021</div> <div>£(33)m</div> <div>2020</div> <div>£(92)m</div>	<div>Capital investment (excluding acquisitions)</div> <div>2021</div> <div>£68m</div> <div>2020</div> <div>£49m</div>	<div>Net debt</div> <div>2021</div> <div>£419m</div> <div>2020</div> <div>£403m</div>	<div>*Adjusted EBITDA is calculated as total operating deficit before interest and tax (-£15.3 million) with adjusting items (£17.2 million), depreciation and amortisation (£75.6 million) added back. Total operating deficit includes a profit on disposal of the Woking Hospital freehold of £6.4 million.</div>

Turnover and adjusted EBITDA 2018-2021



Capital expenditure and net debt 2018-2021



Assuring long-term sustainability

The Charity and Group had a strong start in 2022 following the steady recovery in 2021. We have seen an unprecedented level of self-pay demand for the Charity's healthcare services, as well as recovering PMI and NHS activity within our hospitals. Membership is back to pre-pandemic levels and is continuing to grow.

In light of rising inflation and continued economic uncertainty due to the Russia – Ukraine invasion, the Charity continues to challenge itself to drive efficiencies in operating costs and in capital expenditure to ensure long-term sustainability.

Going concern

The financial performance of the Group in the first six months of 2022 has recovered to pre-pandemic levels, continuing to be driven by healthcare being at the top of everyone's agenda.

The Group has secured continued financing in the form of secured bank debt, as well as proceeds from a ground-rent-based property transaction amounting to £210.0 million. The new debt facility provides £290.0 million of bank debt over five years, with the option to extend one year plus another year subject to bank approval, with a similar regime of financial covenants as the previous facilities.

Financial projections for the foreseeable future indicate that Nuffield Health will continue to operate within these new banking covenants, with liquidity headroom, and with headroom on all new financial covenants. Key assumptions in modelling include government support in providing caps on energy pricing for at least six months and potential exposure to current market rates for energy as well as the Bank of England interest rates. Consideration has been given to downside risks such as further impact of economic downturn on demand for our services. The Charity has mitigations available that it would enact in circumstances where these downside risks materialise. In this scenario, there continues to be sufficient liquidity and positive headroom on all financial covenants to absorb this downside.



We saw strong growth with hospital revenues performing consistently ahead of expectations. By the end of 2021, the Charity's fitness and wellbeing membership had recovered and was 49% higher than at the end of Q1 when the centres reopened.



Jenny Dillon
Chief Financial Officer

The Charity's financial statements disclose a net liabilities position at the end of 2021; however this position is not reflective of the market valuation of the remaining hospital freehold assets, which are held at historical cost value 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 2021 have been prepared on a going concern basis. The Directors 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).



Sustainability

By putting sustainability at the heart of everything we do, we'll build a healthier nation.

To truly achieve our purpose we have to consider the wider impact of everything we do. Our 'healthy environment, healthy work and healthy community' strategy sets out three key areas of focus across the Charity where we're taking positive actions towards a more sustainable future for all.

We're starting to make good 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 sustainability pillars

Healthy environment

We're committed to changing the way we operate in order to create a more sustainable environment. We're reducing our carbon emissions, focusing on our recycling and waste streams, working closely with our supply chain to align our goals, and developing a more sustainable healthcare model. [Read more on pages 66-75.](#)

Healthy work

We're providing a stimulating, diverse, inclusive, and healthy working environment, within which our 16,400 people can thrive and be themselves. Training programmes give them the skills they need to achieve their career goals and life aspirations. [Read more on pages 76-81.](#)

Healthy community

We're playing a meaningful role in our local communities, whether that's through social mobility and employment opportunities, being an accessible organisation, or providing services that target unmet health needs to those living with low resources. [Read more on pages 82-85.](#)



Healthy environment



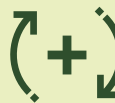
Carbon footprint

We've set ambitious goals to reduce our carbon emissions and help build a healthier future



Recycling and waste

We're focusing on our waste streams and recycling, making improvements at every level



Sustainable healthcare

We're minimising wastage, protecting precious resources, and focusing on creating a healthier supply chain

Aligned to UN Sustainability Development Goals



Healthy work



Health and wellbeing

We're creating a supportive and caring working environment where we prioritise the wellbeing of our people



Diversity and inclusion

As inclusive employers, we embrace all ethnicities, genders and disabilities, and listen to and welcome all views



Training and development

We provide quality training and education to all our people, in every area of the Charity

Aligned to UN Sustainability Development Goals



Healthy community



Accessibility and inclusion

We're removing barriers and making more of our free services available to those who need our support



Research, programmes and education

Our research into health outcomes enables us to support communities and address unmet health needs



Social mobility

We're increasing employment opportunities for people from disadvantaged backgrounds or circumstances

Aligned to UN Sustainability Development Goals



Healthy environment

At Nuffield Health, we're focused on creating a sustainable environment, and that means changing the way we do things. Through our healthy environment strategy, we're committed to reducing carbon emissions, and working towards a more sustainable healthcare model.

Carbon footprint

This year, we've been developing a plan to enable us to become a carbon net-zero organisation. To focus our efforts, we've set ourselves some ambitious, science-based, targets. Our aim is to reduce carbon emissions by 5% in 2022, with long-term goals to be net zero for scopes 1 and 2 by 2030, and net zero for scope 3 by 2040.

Our targets are stretching but with climate change the world's biggest health threat, we need to act now to protect the future. These targets, and the actions we're taking to achieve them, not only position us as market leading in the healthcare sector, but also demonstrate how our purpose, to build a healthier nation, is core to everything we do.

Importantly, our targets align with the NHS' carbon net zero roadmap. As a supplier to the NHS, it's essential that we have a robust plan in place that meets their supplier criteria.

We're investing in our infrastructure and taking steps to ensure our building management systems are energy

efficient. Where necessary, insulation is being upgraded and replaced, and we're installing LED lighting across the estate. Through our Greener Surgery programme, we're targeting care pathways, improving clinical waste systems, using less carbon intensive gases, and reducing the need for single-use plastics.

Engaging our people

It's essential to us that we engage, educate and enable our people, so everyone understands the important role they can play in translating our healthy environment strategy into action. We're doing this through a series of internal campaigns, with the first focusing on energy reduction. Our employee sustainability forum, launched in 2021, now has over 200 members and is helping us share learnings across the organisation.

We believe in sharing details of what we're doing to achieve our sustainability goals, and will regularly update our website with our progress and findings externally, and will regularly update our website with our progress and findings.



Taunton Hospital #SwitchOff



Guildford Hospital #SwitchOff



Our route to
**CARBON
NET ZERO**

2030
to be carbon
net zero
for Scopes
1 and 2

2040
to be carbon
net zero for
Scope 3

2022
to reduce
our carbon
emissions
by 5%



#SwitchOff campaign

Small changes to behaviours, such as turning off lights and equipment when not in use, will make a big difference in helping us meet our carbon net-zero targets. In 2021, we launched our #SwitchOff campaign to encourage our people to play their part by following our energy checklist, and thinking about what they can safely switch off to reduce energy. Our energy dashboard shows monthly consumption and carbon emissions at every site, enabling people to monitor and understand their usage.



Every action counts. Together we will shape a sustainable future for our workplace and communities.



Victoria Hadley
Head of Sustainability and Social Impact



CASE STUDY

Active commuting

A team from our Brighton hospital won a 'sustainable active commuting' challenge, which encouraged people working for local organisations to swap their cars for bikes, public transport, or walking. Over the course of six-weeks, the team saved in excess of 323kg of CO₂, the equivalent of driving 1,242 miles in a car.

Their prize was a donation to a local charity. They chose Brighton & Hove Food Partnership, a non-profit organisation, which encourages people to cook, eat a healthy diet, waste less food, and grow their own produce.

Spurred on by their success, they've now initiated their own research trial. Twenty people from the hospital will use electric-bikes to cycle to work for three months, to measure the benefits to health and wellbeing, as well as to the environment.

Daniel Sutherland, Clinical Services Manager at Nuffield Health, Brighton hospital, explains: "After the active commuting challenge, the team felt much fitter and healthier, so we've developed an impact framework to monitor key body health indicators such as weight and blood pressure. We've taken

a series of measurements from each participant at the beginning of the trial, and will compare them at the end."

Results from the research will be shared on Nuffield Health's website and social media.

In 2023, we'll be launching an 'active travel' campaign to encourage our people across the Charity to consider their commute to work and see if they can try out some alternatives. A cycle-to-work scheme is already in place, enabling discounts when purchasing bikes.

As part of our drive to reduce carbon emissions across the Charity, a survey will be launched to understand how our people travel to and from their place of work. Results will help us further evidence our carbon emissions.



Our team saved 323kg of CO₂, which is the equivalent of driving 1,242 miles in a car.



Recycling and waste

We're focusing on our recycling and waste streams, and making improvements at every level. In 2021, 41% of our general waste was recycled and, while we're making good progress, we still have work to do. This year, we aim to increase the recycling of all general waste by 5% and will continue to work with suppliers to help us identify ways of doing this. We're also undertaking site surveys, and installing new recycling bins across the Charity, with clear signage.

Supply chain

The sustainability of our supply chain is essential to achieving our goals. We're working closely with our suppliers to understand their carbon footprint and support them in ensuring that their social, environmental, and economic practices are aligned to our ambitions. A survey was sent to all suppliers and this will be followed up, over the next year, with one-to-one sessions with our larger Tier One suppliers.

100%
of our directly purchased
electricity comes from natural
renewable sources

41%
of our general waste was
recycled in 2021
(2020 – 40%)

28
HSSU lorries to be powered
by bio-fuel by 2023



Bio-fuel fleet

Our seven Hospital Sterile Services Units (HSSUs) offer bespoke decontamination services for reusable medical devices, such as medical instruments and equipment, throughout England.

In 2023, our fleet of 28 lorries will be upgraded to see them powered by bio-fuel. By using an advanced renewable fuel, we can reduce our CO₂ emissions by as much as 90%.

We'll also be investing in tracking technology equipment in order to monitor usage more accurately. This will help streamline our journeys and make us more efficient on the road.



Reducing food waste

We've partnered with Sodexo to implement their data-driven programme, WasteWatch, to reduce food waste in our hospitals. We're now using patient and client feedback to constantly review our menus in order to remove or change less popular dishes quickly and efficiently.

WasteWatch, allows kitchen staff to understand what's thrown away, and why. Since its launch in the UK, it's made a significant impact on cutting down CO₂ emissions and preventing over 280 tonnes of food waste.

Streamlined Energy and Carbon Reporting

Energy usage, associated emissions, energy efficiency actions and energy performance for 2021.

This report summarises our energy usage, associated emissions, energy efficiency actions and energy performance under the government policy, Streamlined Energy and Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The reporting methodology summarises the methodologies used for all calculations relating to the elements reported under Energy and Carbon.

Nuffield Health is a UK-incorporated business and charity. Under the new SECR legislation, we're mandated to include energy consumption, emissions, intensity metrics, and all energy efficiency improvements implemented in our most recent financial year. An operational boundary has been applied for the purposes of the reporting.

To account for the acquisition of Aspen Healthcare in October 2021, energy and emissions data has been presented for the Group. This covers Nuffield Health, January – December, and Aspen Healthcare, October-December, as well as the Charity, which covers only Nuffield Health, January-December.

We're proud to say we achieved 100% verifiable data coverage. 1.69% (Charity) and 3.08% (Group) of consumption data used for SECR was estimated in order to achieve 100% data coverage.

Nuffield Health

Nuffield Health is the parent company of Nuffield Health Wellbeing Limited and other subsidiaries.

In 2021, Nuffield Health acquired Aspen Healthcare, which became part of the wider Group from October. To allow comparison with previous years, Nuffield

Health's energy consumption and emissions are presented as 'the Charity'. To show actual emissions associated with the new organisational structure, the energy consumption and emissions of Nuffield Health and Aspen, for the time period October- December, are presented as 'the Group'. Future years will be presented solely as, and compared against, the Group.

The Charity

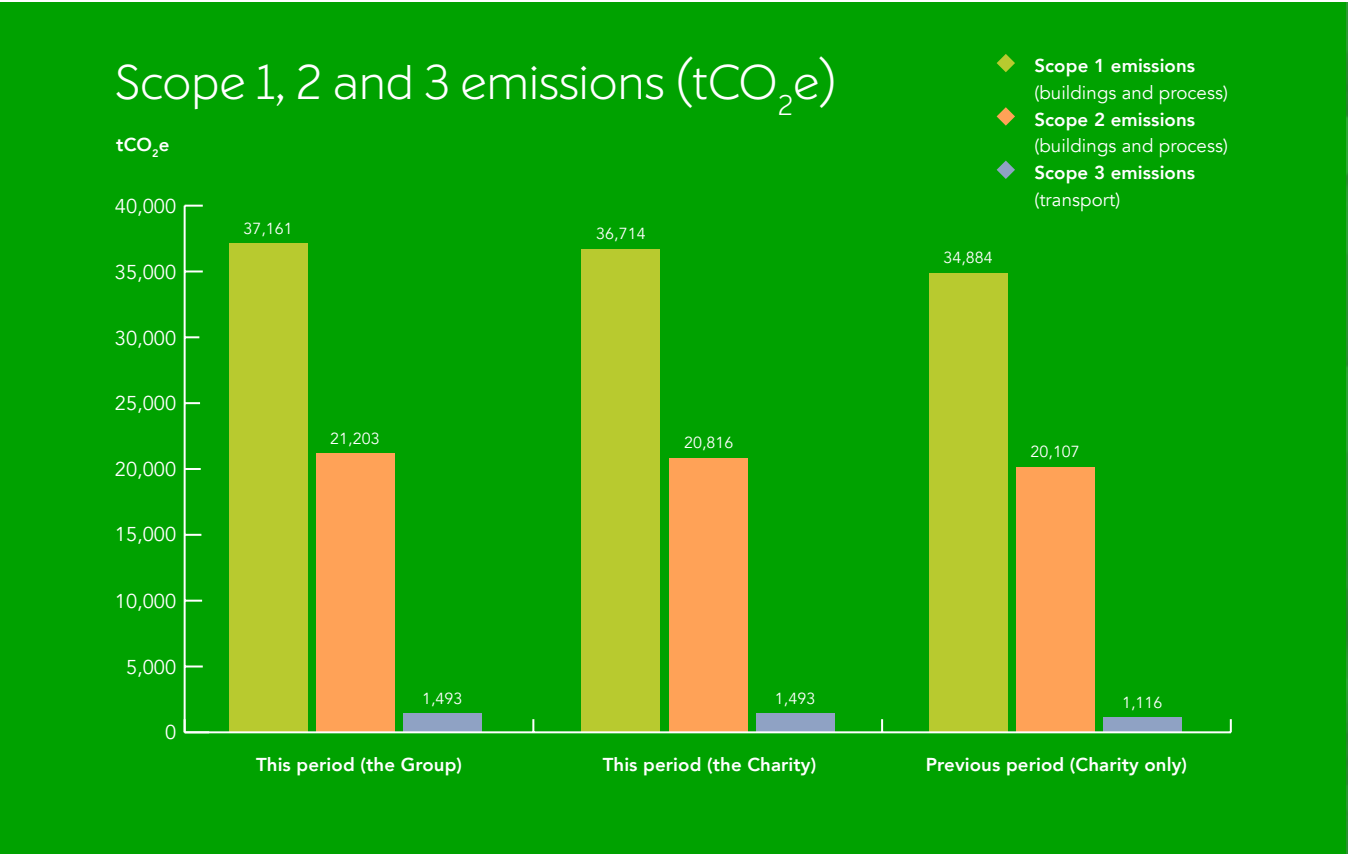
The Charity's (Nuffield Health only) Scope 1 and 3 direct emissions (combustion of natural gas and transportation fuels) for this year of reporting are 38,207.71 tCO₂e, resulting from the direct combustion of 206,889,992 kWh of fuel. This represents a carbon increase of 6.13% from last year. Scope 2 indirect emissions (purchased electricity) for this year of reporting are 20,816.16 tCO₂e, resulting from the consumption of 98,036,836 kWh of electricity purchased and consumed in day-to-day business operations. This represents a carbon increase of 3.53% from last year.

Our operations have an intensity metric of 6.27 tCO₂e/kWh per full-time equivalent (FTE) for this reporting year. This represents an increase in operational carbon intensity of 7.75% from our previous reporting year.

The Group

The Group's (Nuffield Health plus Aspen Healthcare) Scope 1 and 3 direct emissions (combustion of national gas and transportation fuels) for this year of reporting are 38,654.46 tCO₂e, resulting from the direct combustion of 209,329,092 kWh of fuel. This represents an increase of 7.38% compared with last year's emissions.*

*This increase is partially due to the purchase of Aspen Healthcare in October 2021. Previous years' figures have not been recalculated to include them.



Scope 2 indirect emissions (purchased electricity) for this year of reporting are 21,203.47 tCO₂e, resulting from the consumption of 99.860,916 kWh of electricity purchased and consumed in day-to-day business operations. This represents a carbon increase of 5.46% from last year.

Our operations have an intensity metric of 5.80 tCO₂e/kWh per FTE for this reporting year. The FTE number used includes Aspen Healthcare.

Data quality and completeness

Nuffield Health's electricity and gas invoices have been entered into a fully managed energy database to 31 December 2021, and data quality checks have been carried out for data completeness and accuracy. Transport information to 31 December 2021 has also been entered into the energy database.

A number of instances, equating to 1.69% (the Charity) and 3.08% (the Group) of the total reported consumption necessitated some estimations to be calculated in order to achieve 100% data coverage. Methodology of these estimation techniques is detailed in the reporting methodology.

Consumption (kWh) and greenhouse gas emissions (tCO₂e) totals

The figures on page 72 show this reporting year's consumption and associated emissions for our operations, with figures from the previous reporting period included for comparison. Figures for the previous period are only presented for the Charity and do not include Aspen.

- 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 us. This relates to grey fleet (business travel undertaken in employee-owned vehicles) only.

Total consumption (kWh) for energy supplies

Utility and scope	2021 consumption (kWh) The Group	2021 consumption (kWh) The Charity	2020 consumption (kWh) The Charity
Purchased electricity (Scope 2)	99,860,916	98,036,836	86,242,379
Gaseous and other fuels (Scope 1)	202,888,971	200,449,870	189,719,308
Transportation (Scope 1 and 3)	6,440,122	6,440,122	4,669,593
Total	309,190,009	304,926,827	280,631,280

The Group and the Charity transportation consumption is the same as no transportation consumption data was available for Aspen for the reporting period.

Total emissions (tCO₂e) for energy supplies

Utility and scope	2021 emissions (tCO ₂ e) The Group	2021 emissions (tCO ₂ e) The Charity	2020 emissions (tCO ₂ e) The Charity
Purchased electricity (Scope 2 location-based)	21,203.47	20,816.16	20,106.55
Purchased electricity (Scope 2 market-based)	2,118.01	1,477.44	967.98
Gaseous and other fuels (Scope 1)	37,161.14	36,714.40	34,883.69
Transportation (Scope 1 and 3)	1,493.31	1,493.31	1,115.66
Total (location-based)	59,857.92	59,023.87	56,105.90
Total (market-based)	40,772.46	39,685.15	36,967.33

Scope 2 emissions are presented using both the location-based and market-based methodologies. Market-based emissions demonstrate the carbon reduction achieved by renewable electricity procurement.

2021 intensity metric

Intensity metric	2021 intensity metric The Group	2021 intensity metric The Charity	2020 intensity metric The Charity
tCO ₂ e/FTE	5.80	6.27	5.82

An intensity metric of tCO₂e per FTE has been applied for our annual total emissions (using the location-based Scope 2 emissions).

309m

total consumption (kWh) for the Group

60k

total emissions (tCO₂e) for the Group (location-based)

5.80

intensity metric (tCO₂e/FTE) for the Group

Energy efficiency improvements

We're committed to year-on-year improvements in our operational energy efficiency. A register of energy efficiency measures has been compiled, with a view to implementation over the next five years.

Measures ongoing and undertaken through 2021

Renewable electricity procurement

Nuffield Health continues to prioritise the procurement of renewable produced power through placed electricity supply contracts. There's a preference to choose natural renewable sources, such as wind and solar. In cases where Nuffield Health is the tenant and, therefore, reliant on landlord supplies, it's been requested that preference is given to renewable energy being supplied to all buildings.

Energy site surveys

Energy site surveys began across the portfolio to help identify areas for energy efficiency improvements.

Boiler upgrades

Numerous boilers were replaced across the estate, in order to improve operational efficiencies and reduce consumption of natural gas.

AHU and BMS upgrades

Air handling units (AHUs) and the wider building management systems were upgraded to increase heating, ventilation and air conditioning (HVAC) energy efficiency across the estate.

Measures prioritised for implementation in 2022

Carbon roadmap and targeting

Nuffield Health is undertaking a journey to reduce the carbon footprint of the business, with an end goal of being carbon neutral. This will include ongoing carbon reduction targets. In the longer term, this will be verified by the Science Based Target initiative (SBTi).

Inspired PLC

Inspired PLC, prepared this report for Nuffield Health, by means of interpreting the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, as they apply to information supplied by Nuffield Health and its energy suppliers.

Nuffield Health's registered CEO and CFO are responsible for complying with the Regulations. They must be satisfied that, to the best of their knowledge, all relevant information concerning Nuffield Health's organisational structure, properties, activities, and energy supplies has been provided to Inspired Energy.

Reporting methodology

Scope 1 and 2 consumption and CO₂e emission data has been calculated in line with the 2019 UK Government Environmental Reporting Guidelines. The following Emission Factor Databases consistent with the 2019 UK Government Environmental Reporting Guidelines have been used, utilising the current published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for reporting year 01/01/2021-31/12/2021: Database 2021, Version 1.0.

Estimations undertaken to cover missing billing periods for properties directly invoiced to Nuffield Health were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 1.69% (the Charity) and 3.08% (the Group) of reported consumption.

For properties where Nuffield Health is indirectly responsible for utilities (i.e. via a landlord or service charge), an average p/kWh of £0.15p/kWh was applied to provided cost values of service charges to calculate kWh consumption.

Intensity metrics have been calculated utilising the 2021 reportable figures for the following metrics, and tCO₂e for both individual sources and total emissions were then divided by this figure to determine the tCO₂e per metric:

- Full time equivalents (FTE) **the Group 10,315**
- Full time equivalents (FTE) **the Charity 9,412**

Reaching carbon net zero

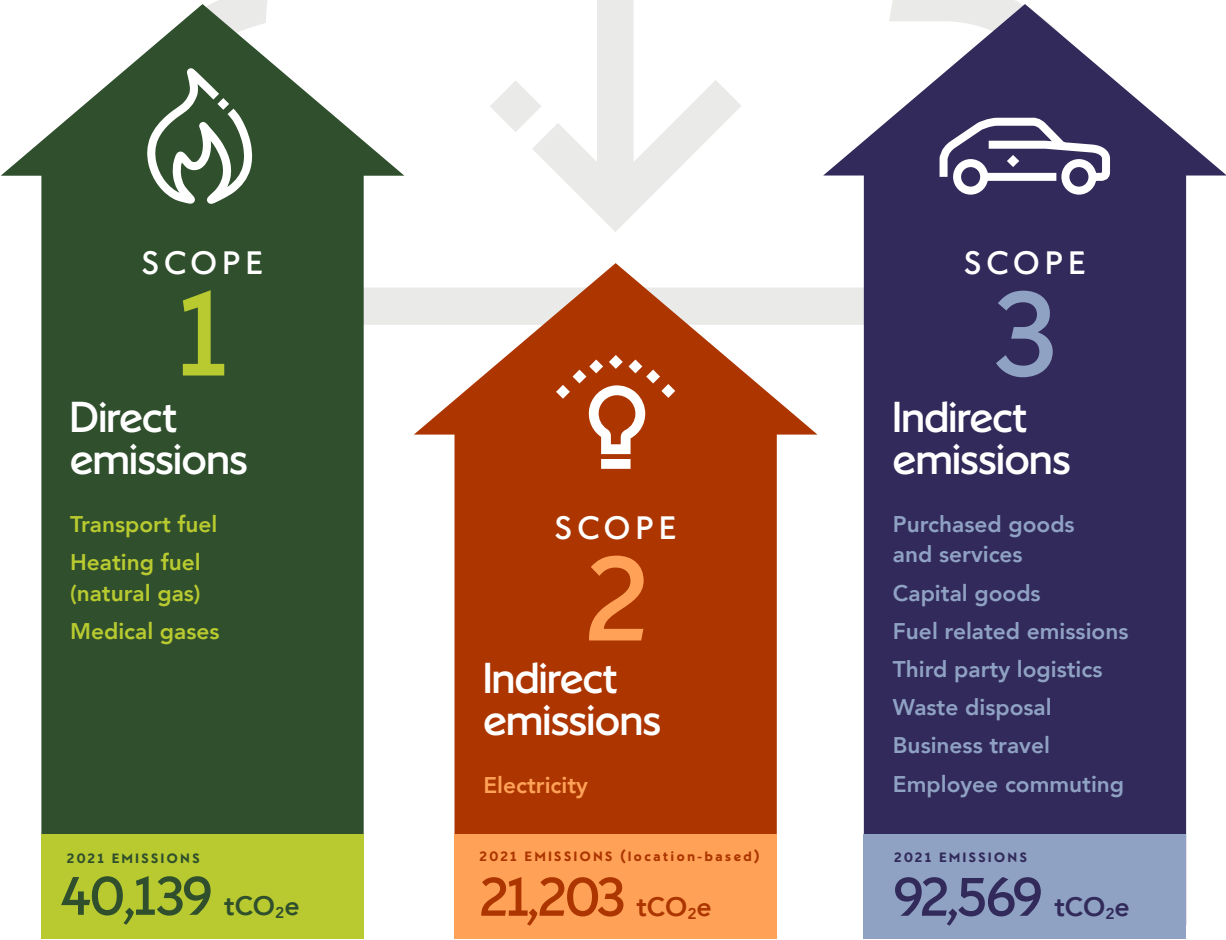
To fully understand the extent of our carbon net-zero journey, we calculated our Scope 3 value chain emissions for the first time in 2021. This was in addition to reporting our Scope 1 and 2 operational emissions, in line with SECR requirements. These were calculated following the Greenhouse Gas (GHG) Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

There are 15 reporting categories under the GHG Protocol, of which seven apply to Nuffield Health. Going forward, we'll work with our supply chain to improve the accuracy of our Scope 3 emissions' footprint, and encourage emission reductions.

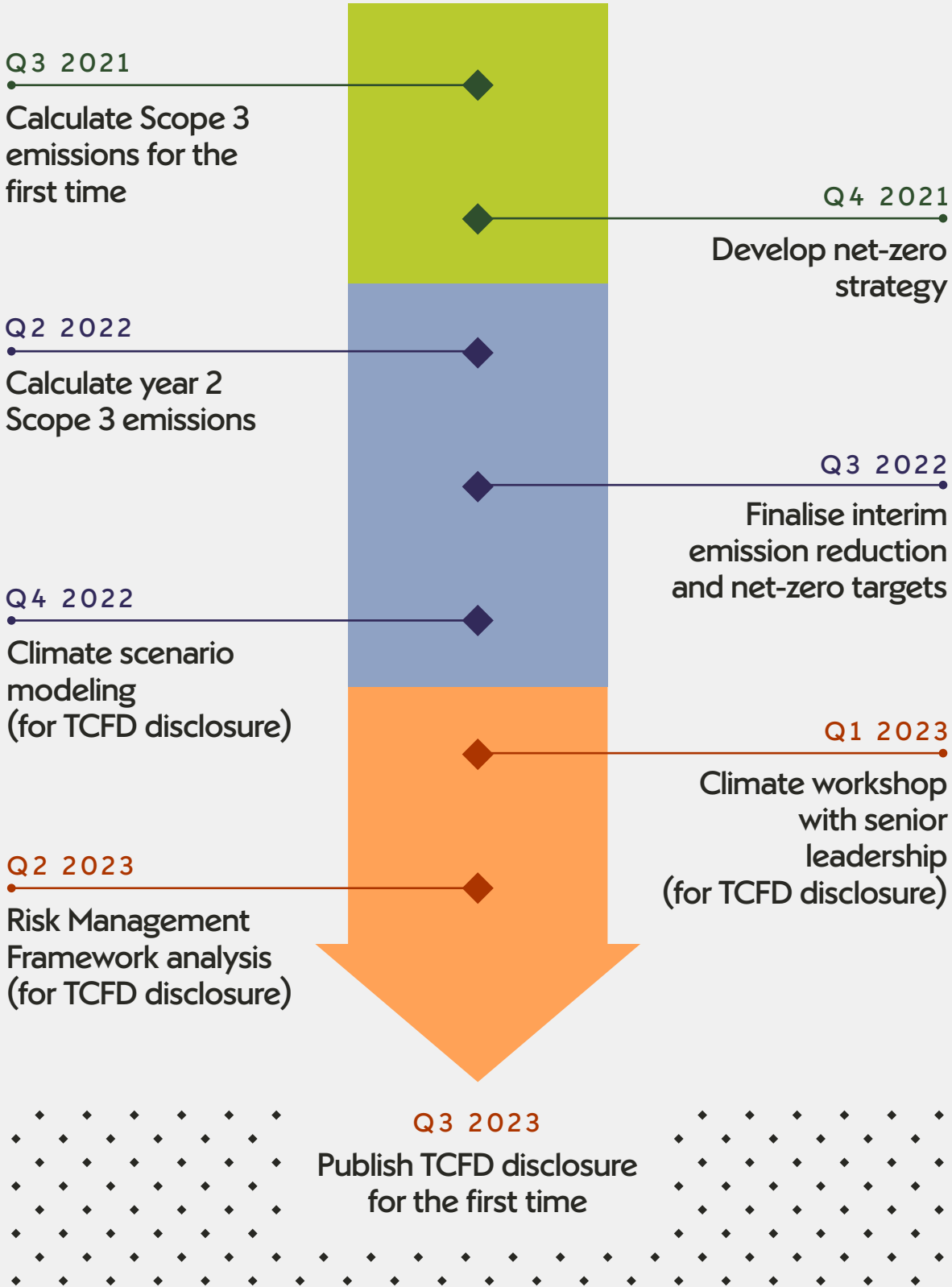
Now we have an understanding of the full impact of greenhouse gas on our organisation, we can target activity in emission hotspots. We've been working with an external sustainability consultant to develop our net-zero strategy. And, in early 2022, we announced our net-zero targets, as well as interim targets to help us stay on track to achieving our goals.

In 2023, for the first time, we plan to report in line with the Task Force on Climate-related Financial Disclosures (TCFD) requirements. This report will help us understand the impact of, and the physical and transitional risks, climate change poses to our organisation. Our ongoing Scope 1,2 and 3 reporting, as well as our net zero strategy and targets, will feed into our TCFD report.

Our 2021 Group scope 1, 2 and 3 emissions



Task Force on Climate-related Financial Disclosures roadmap



Healthy work

We want all our people to have the opportunity to thrive and achieve their full potential at Nuffield Health. Through our healthy work strategy, we're doing all we can to create a diverse, stimulating and vibrant workplace where all our people feel they belong.

Health and wellbeing

The wellbeing of our people was a key priority in 2021. They worked tirelessly through the pandemic and, with many still furloughed and others working at home, it was important to ensure they were supported financially, and in terms of their emotional wellbeing.

We regularly held team calls to provide reassurance and keep people updated. Using fortnightly 'pulse' surveys, we were able to responsively monitor employee wellbeing and identify areas where we needed to provide support.

Recognising that aspects of the pandemic were negatively impacting the mental wellbeing of our people, we offered a Mental Health programme with a range of services including counselling and Cognitive Behavioural Therapy.

In December 2021, as we started to emerge from the pandemic, we introduced a new employee engagement platform that empowers our people to take ownership of organisational change. The platform has evolved the way we gather employee feedback so that together we can shape a better employee experience.

Using intelligent listening technology, we're able to personalise questions to give us a real-time picture of how people are feeling. Employees can complete the questions on their mobile phones by scanning a QR code. Multiple languages are enabled, making it easier for greater understanding and contribution for non-English speakers.



Diversity, equity and inclusion

We want all our people to feel they belong and can be themselves at work. Our employee-led Equity Forum, launched in July 2020, now has over 100 members, from all areas of the Charity, where people can share their experiences and opinions, openly and honestly.

Our newly formed Muslim Network joined forces with cultural networks from our partner organisations to deliver a Ramadan awareness event. The session was attended by over 150 colleagues from 13 different countries, and showcased the strength that comes through diversity.

During the year, we subscribed to the Diversity and Inclusion (D&I) Index, an online benchmarking tool on the HR Datahub. It will help us measure and compare our progress against ambitious age, disability, ethnicity, gender and LGBTQ+ targets. We're resolute that, our team members will not encounter discrimination in their working relationships. Equity, diversity and inclusivity training is mandatory for all.

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.

We're pleased with the progress we've made on our gender pay gap this year but acknowledge there's still work to be done. For the first time, we've also shared our ethnicity pay gap which stands at 5.7% for our ethnic minority populations. We've listened to employee feedback and are creating a leadership development programme, specifically for our people from ethnic minority backgrounds.

This year's pay gap data was recorded in April 2021 so it's important to note our ethnicity disclosure rate was 60%. We're taking steps to improve our understanding of our people's diversity data, which includes encouraging employees to complete their employee profiles. This means future reports will be more reflective of our organisation as a whole.

It's our strong belief that a working environment united in advancing equality, diversity and inclusion, will be a major contribution to ensuring the ongoing success of the Charity. This will continue to be a priority in 2022.

We've got Pride

People from across the Charity took part in annual Pride Week events, recognising the impact the LGBTQ community has on the life of the UK, and Nuffield Health. Pictured, our team from Nuffield Health Chester 'The Grosvenor' Hospital joining in the celebrations.



546
people accessed our employee Mental Health programme, developed to support those who were negatively impacted by aspects of the pandemic

100+
members of our employee-led Equity Forum

5.9%
gender pay gap (2020 – 7.4%)

An interview with...

Phil Wilde, Leadership Development & Equity Lead

Describe your role

My role, and that of my team, is to work with our leaders, providing education, support, and services to allow them to create a diverse, inclusive, environment where all our people are focused on delivering the strategic plan, and enjoy a sense of belonging to the Charity. Our leaders are the role models and mentors within their teams.

What was your focus in 2021?

Understanding our diversity data was a key priority. We took steps to encourage people to include their ethnicity when completing HR data online. Over the last year, the response rate increased from 16% to 70%, which is very encouraging. Although not legally required to do so, we included the statistics in our Gender Pay Gap Report and I'm proud that Nuffield Health took this step.

What's the Charity doing to attract more diverse candidates?

During 2021, our recruitment team launched the Employee Value Proposition (EVP) to bring our purpose to life. It gives us something to shout about and we hope this will encourage people from diverse and ethnic backgrounds to join us for the right reasons, and develop their careers with us. Increasingly, we're advertising roles on recruitment sites such as Vercida, which promotes workplace

equality, free of discrimination. We hope this will help us attract a more diverse range of candidates.

Is there one thing that will improve ethnicity and diversity across the Charity?

Raising leadership awareness of cultural blockers to equality is key. We all have to become more aware of the blind spots in our worldview. Taking ownership of these will help us value and appreciate the diversity we have. During the year, we launched our leadership induction programme for newly appointed managers. This includes recruitment skills training, and the importance of limiting bias and knowing your own biases.

What are you most proud of?

The support and attention given by our senior leadership team to our Equity Forum, which now has around 100 members from all areas of the Charity. Our CEO joined a session and took questions from members – it gives people confidence that we're not just ticking boxes.

Tell us two things you're excited about for 2022

If I had to pick just two, it would be the launch of our first reciprocal mentoring scheme, connecting senior leaders to people from minority groups, and the wider roll out of inclusivity-themed learning for leadership teams.

Raising leadership awareness of cultural blockers to equality is key.





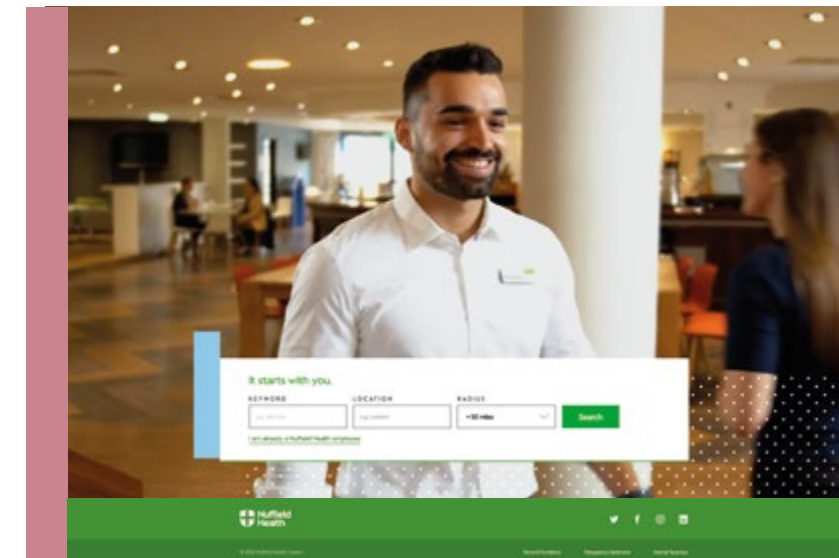
Our nurses recruited from the Philippines pictured at our Academy in Epsom, as part of their Nuffield Health Preceptorship Programme training

Retaining and attracting talent

This year, we launched a new employee value proposition (EVP) and employer brand to help us attract prospective employees, build a sense of pride across the organisation, and connect our people to our purpose.

We're using our EVP to address current workforce challenges in an efficient way by helping us gain access to, attract, retain and engage the best talent. And internally, our employer brand and EVP is helping us shape a better work experience, which will leave our people feeling happier, more empowered in their jobs and wanting to stay with us longer. They're also more likely to recommend others to work for us.

We launched a new careers website which allows prospective candidates to engage with videos and real-life stories from our diverse employees. And we've raised our presence on equality career sites, such as Vercida, who work only with employers actively committed to equality, diversity and inclusion.



Empowering our people

Education and development

Enabling our leaders to be the best they can be has been a key priority throughout the year. Education and development doesn't just take place in the classroom, it happens in the workplace, with our leaders being role models and mentors to their team members. So, as part of our Empowering Leadership Programme, we launched Effective 1:1s and Objective Setting workshops, as well as a new induction programme, all aimed at supporting our leaders to deliver a great experience to their teams.

Over 450 people are on our growing range of apprenticeship programmes, which support the development and career progression of our people in clinical roles, our corporate sites, fitness and wellbeing centres, and support functions. This is up from 300 in 2020.

A recent survey carried out by Lifetime, the UK's largest apprenticeship training provider, showed

that 82% of apprentices were still working at Nuffield Health two years after completing their apprenticeship qualification. New programmes developed during the year include HR, Learning and Development, Improvement Practitioner, and Marketing Executive.

As part of our apprenticeship scheme, we've continued to focus on providing professional education opportunities for our people. A Physiotherapy Degree apprenticeship has been scoped, which will provide a longer-term solution to recruitment and retention issues in this area. In addition, an Advanced Clinical Practice apprenticeship has been launched.

Our 'Think Apprenticeship First' scheme continues to encourage leaders to consider apprenticeships as a way of attracting and developing new talent, as well as a route to career development and progression. As we move into 2022 and beyond, our commitment to our apprenticeship scheme remains strong.



Valuing our people

As a thank you for all their hard work during the year, our people were given an extra day's leave, designated a 'Wellbeing day', to recharge and spend time with their friends and family.



450

people on our range of apprenticeship programmes (2020 – 300)

82%

of apprentices were still working at Nuffield Health two years after completing their apprenticeship qualification

1,500

WeCARE awards presented to our people during 2021

Healthy community

We want to play a meaningful role in our local communities so it's important we're accessible and inclusive. We do this by supporting unmet health needs through our unique flagship programmes, providing fulfilling job opportunities and immersing ourselves in local life.

Research and development

Nuffield Health is the operating partner of the Manchester Institute of Health and Performance (MIHP), a purpose-built facility designed to create a world-class environment for diagnosis, education and research in health and performance.

Based in a community with significant health inequality, MIHP gives us a unique opportunity to try things we haven't done before, in a controlled and respected environment.

The partnership allows us to deliver research, innovative care pathways, education, and programme development, to further our public benefit in line with our purpose to build a healthier nation. We can test new and existing programmes, that address unmet health needs, and explore how to widen access to our services for those living on lower resources.

During the year, we began to pilot methods to make our free-to-access flagship programmes more efficient, so we can reach more people. This includes the development of a digital-only model.

MIHP contributes to our public benefit in the following ways:

- ◆ National centre for health and wellbeing research and development
- ◆ Bringing together our partners, researchers and academics at the physical base of our clinical research
- ◆ Freely sharing learnings across the healthcare industry for the benefit of the community and the nation.

4,000+

people benefited from our unique flagship programmes

15,000

number of disadvantaged young people we'll support through Access Sport partnership

Free community programmes

During 2021, more than 4,000 people benefited from our unique flagship programmes. These are free services, that address unmet health and wellbeing needs in the community, and extend our reach to people living on lower resources who wouldn't otherwise be able to access our services. Our programmes include support for those suffering with joint pain, and most recently, COVID-19 rehabilitation. See page 24 for more information.

Local employment opportunities

We're proud signatories of the Social Mobility Pledge and, as part of this, we offer structured work experience and apprenticeship opportunities to people living in the communities in which we operate. Our apprenticeship programmes are providing opportunities for local people and help us attract new talent to fill critical vacancies across our fitness and wellbeing centres and nurseries. Our leaders are encouraged to 'think apprenticeship first' when recruiting new talent.



Ebony Baker (left) and Tami Eccleston

CASE STUDY

Apprentice PT Programme

Tami Eccleston, Fitness Manager, Stoke Fitness and Wellbeing Centre, used the apprenticeship programme to recruit new Personal Trainer Ebony Baker.

Tami says: "Having completed an apprenticeship myself, I was keen to offer someone else a chance through the Apprentice PT Programme (APT). After lockdown, we lost quite a few of our team and were having difficulty in finding new candidates to fulfil the roles, so I used APT to recruit Ebony."

"The recruitment process was really straightforward, from interview to onboarding. It literally took only 10 days to get Ebony started."

Ebony's story

"My experience at Nuffield Health has been amazing. My colleagues are very friendly and supportive, and have made me feel like I'm part of the team since the start. My confidence has also increased since I first started and I've gained a variety of new skills essential for working on the gym floor and other areas of our fitness and wellbeing centre."

Community partnerships

Achieving our purpose to build a healthier nation is dependant upon us reaching those people living on lower resources, in under-served communities, in all areas of the UK. Partnering with local organisations, which are embedded in their local communities, gives us the opportunity to make more people aware of our services and facilities.

Supporting young innovators

We're working with Ingenuity, a UK-wide initiative to support and develop entrepreneurs from under represented communities. They provide seed grants and mentorship to young innovators looking to start new enterprises.

Through our two-year partnership, we're encouraging applicants to put forward business ideas to address one of three areas: improving health; building stronger communities; and tackling climate change.

Ideas are entered into a competition, with the chance of winning significant investment and support. A team of mentors from Nuffield Health works with shortlisted individuals to develop a business plan, which they then present to a supportive and nurturing judging panel.

Health inequalities are experienced in local communities across the country. It's our hope that, through this partnership, by encouraging tomorrow's entrepreneurs, we'll help build sustainable communities.

Accessibility

We believe our sites and services should be accessible and inclusive to everyone in the communities in which we operate. Our community initiatives, including our free-to-access flagship programmes, are focused on making our facilities and expertise available to those who wouldn't normally be able to afford our services.

We're partnering with East Riding Council to roll out our COVID-19 Rehabilitation programme to its 602,000 residents.

Initially available through NHS Foundation Trusts across the UK, our specialist 12-week rehabilitation programme addresses the debilitating affects of long-Covid, and supports patients in their recovery through physical therapy and mental health support.

This is the first time the programme has been made available to an area not already served by one of our fitness and wellbeing centres. By taking this action, we're expanding our reach into new areas of the country, and supporting our health and wellbeing ambitions on a local level.

Our purpose to build a healthier nation drives us to continually look for ways to expand our free-to-access flagship programmes, and give communities more access to our services.

Tackling health inequalities

Young people in disadvantaged communities have poorer life chances than their peers. They are more likely to struggle at school, face isolation, mental health issues, and unemployment. Sport and physical activity can significantly improve their situation.

We've joined forces with sport inclusion charity, Access Sport, to help tackle health inequalities in Greater Manchester. This new partnership combines our resources and expertise to help address and support the unmet needs of 15,000 disadvantaged local young people, and their families, over the next two years.

Through this partnership, we aim to encourage more young people into community sport. They will have access to our Manchester Institute of Health & Performance, and the opportunity to take on new sporting experiences and challenges.

Over the coming year, we'll be looking to forge more partnerships with local community groups across the country, which can help us expand our reach.



National Ingenuity Showcase 2022



Access Sport

Engaging our stakeholders

Our stakeholder groups play a crucial role in building and sustaining the Charity. We engage with them regularly, and listen to their views to ensure our ongoing success.



Our people

- Why we engage**

By ensuring that we engage our 16,400 people in our plans, we will achieve our purpose to build a healthier nation. They are the beating heart of Nuffield Health. Our leadership team is committed to listening and acting upon their views.
- How we engage**

 - ◆ Pulse surveys
 - ◆ CEO monthly video
 - ◆ Leadership briefings
 - ◆ Quarterly e-zine, In the Loop
 - ◆ Extranet and Yammer internal newsfeed
 - ◆ Healthy work hubs
 - ◆ Freedom to Speak Up (FTSU) ambassadors
 - ◆ Business briefings
 - ◆ Bright Ideas platform
 - ◆ Leaders' site visits
 - ◆ WeCARE values recognition scheme
 - ◆ Workday HR system.
- Outcomes of engagement**

 - ◆ A strong Equity Forum that now boasts over 100 members
 - ◆ Our newly formed Muslim Network engages with cultural networks across our partner organisations
 - ◆ An improved Gender Pay Gap Report and our first Ethnicity Pay Gap Report
 - ◆ Launch of Employee Value Proposition (EVP) to set out who we are as a charity and build pride.
- Plans for 2022**

 - ◆ Change our employee feedback survey to Peakon
 - ◆ Continue to focus on providing professional education opportunities
 - ◆ Reintroduction of face-to-face business leaders' events
 - ◆ Embed our EVP into our processes and culture
 - ◆ Continue to build a working environment that advances equity, diversity and inclusion.

Beneficiaries

- Why we engage**

By ensuring the best interests of our beneficiaries are always at the forefront of our minds, we'll provide them with unrivalled levels of healthcare and wellbeing services, so they can lead healthier and more fulfilled lives.
- How we engage**

 - ◆ Face to face
 - ◆ Feedback through customer satisfaction surveys and patient forums
 - ◆ Daily support through our contact centre
 - ◆ Social media channels, digital, video, and our website
 - ◆ TV and radio campaigns
 - ◆ Regular leaders' site visits.
- Outcomes of engagement**

 - ◆ Improved understanding of the views of our beneficiaries which allows us to improve our services
 - ◆ Increased digital access to our services, giving people more options as to how they access our services
 - ◆ Increased number of visits to our social media channels year-on-year
- Plans for 2022**

 - ◆ Develop a Beneficiary Value Proposition, with input from our beneficiaries
 - ◆ Through our community programmes, further extend our reach to those living in under served communities on lower resources
 - ◆ Targeted development of healthcare solutions for areas of unmet health needs.

Healthcare partners

- Why we engage**

By working with the best healthcare partners and consultants, we can be confident that they are aligned to our purpose to build a healthier nation. These include the NHS, private medical insurers (PMIs), and our sector-leading consultants.
- How we engage**

 - ◆ Provision of high quality services to our partners and consultants
 - ◆ Hospital directors engage directly with local NHS Trusts to deliver services and support
 - ◆ Regular meetings with PMIs ensure our connected healthcare approach is resulting in quality outcomes for their customers
 - ◆ Regular local and national level communications with consultants, including surveys and newsletters.
- Outcomes of engagement**

 - ◆ NHS referrals decreased as we moved out of the pandemic, but volumes are now building
 - ◆ Improved PMI activity, combined with a record breaking self-pay performance
 - ◆ Worked together as one team, in an unprecedented way, emerging from the pandemic stronger, with even greater belief in what we do as a Charity to make people's lives better.
- Plans for 2022**

 - ◆ As a natural partner to the NHS, we're focusing on strengthening our engagement with them, and using our capacity to help address long waiting lists and staff shortages
 - ◆ Working closely with our consultant population to embed greener surgery environmental plans across our hospitals.





Communities

- Why we engage**
By operating responsibly and sustainably in local communities, we increase accessibility to our services to those living with lower resources, and to people of all ethnicities, genders and disabilities. This is core to our purpose, to build a healthier nation.
- How we engage**
- ◆ Partnering with MIPH to deliver cutting edge facilities to local communities
 - ◆ Our free-to-access flagship programmes
 - ◆ Supporting local initiatives and community events
 - ◆ Offering a wide range of apprenticeship programmes, through our 'think apprenticeship first' scheme.
- Outcomes of engagement**
- ◆ Supported over 4,000 people during 2021, through our free-to-access flagship programmes, in particular those suffering with long-COVID, and joint pain
 - ◆ Delivered a Social Return on Investment (SROI) of £18m, against a target of £10m
 - ◆ Broadened the range of apprenticeships available.
- Plans for 2022**
- ◆ Further extend our reach and encourage more people living in under-served communities, with lower resources, to access our services
 - ◆ Develop a Healthy Community toolkit for all our sites, to enable them to identify and support those living in under-served communities, with lower resources
 - ◆ Launch a community grant scheme to allow sites to directly help and support local under-served groups.



Government

- Why we engage**
By influencing the Government's priorities and policies for health and wellbeing, we help achieve our purpose to build a healthier nation. We have a key role to play in the Government's agenda to prevent ill health, improve quality of care, and tackle health inequalities.
- How we engage**
- ◆ Direct approaches to ministers and public bodies
 - ◆ Access through industry bodies such as IHPN, ukactive, SAGE, and Royal College of General Practitioners (RCGP)
 - ◆ Providing insights and evidence for Government papers relating to health and wellbeing
 - ◆ Consultations and round-table events
 - ◆ Sharing research findings and best practice.
- Outcomes of engagement**
- ◆ Good relationships with MPs, mayors and councillors, allowed us to highlight the importance of fitness and wellbeing to the nation's health
 - ◆ Recommended solutions as part of a submission to the Health Select Committee's Inquiry regarding NHS backlog
 - ◆ Contributed to NICE's review of long-COVID guidelines
 - ◆ Played a leading role in lobbying for the fitness and wellbeing industry to remain open to support the recovery of the nation.
- Plans for 2022**
- ◆ Proactively engage key stakeholders in the health and wellbeing policy landscape
 - ◆ Ensure we're actively contributing our expertise and experience to inform policy development
 - ◆ Work closely with sector groups to ensure we have input to decisions relating to health and wellbeing.



Suppliers and partners

- Why we engage**
By having a strong, collaborative relationship with suppliers and partners, we'll minimise the impact of products and services on the environment. We partner with educational institutions on major research and data programmes, to identify new, evidence-based, approaches to healthcare.
- How we engage**
- ◆ Regular meetings
 - ◆ Use the Supplier Code of Conduct to ensure consistency of values
 - ◆ Undertake bi-annual supplier reviews to ensure we're meeting objectives
 - ◆ Hold research and innovation meetings to develop future care pathways, such as our Manchester Metropolitan University partnership.
- Outcomes of engagement**
- ◆ Updated our Supplier Code of Conduct to include our sustainability criteria
 - ◆ Gained assurance that suppliers are doing all they can to make a positive impact on society and the environment
 - ◆ Developed innovative research within the healthcare market
 - ◆ Strengthened the case for evidence-based healthcare.
- Plans for 2022**
- ◆ Further engage with our suppliers and partners to ensure they're aligned with our healthy environment goals and sustainability criteria.

Section 172 statement

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.

Companies are required to include a statement in their strategic report on 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). In accordance with 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. The examples show decisions taken by the Board in 2021, and how stakeholder views and feedback, as well as other section 172 considerations, were taken into account. All decisions are made in the interests of the Charity’s stakeholders, in line with our values:

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ConnectedAspirationalResponsiveEthical



Workplace environment

Significant decision
To consolidate office space, and improve the working environment at Epsom.

Stakeholder groups affected



S172 factors considered



Action taken

The Board considered the support teams’ workplace environment. Surveys asked our people to input ideas as to how the working space should be set up. As a result, our Epsom building was updated to include more collaborative working spaces, desks and breakout areas. Furnishings and décor were refreshed to introduce new colours, pictures and plants, to make the office more comfortable. The review of the lease arrangements for Epsom and Dorking offices recommended consolidating space. This followed implementation of our hybrid working policy. The Board agreed that moving our support function teams to Epsom would make best use of space and the shared onsite facilities. An engagement plan included sessions to help people understand how the move would affect them. Orientation meetings were held, and welcome packs issued, to introduce people to the building’s facilities, along with senior leader drop-ins to check people were settling in.

Impact of the decision

The decision will create value. Our Epsom office is close to transport links and retail facilities. We believe it will assist in attracting and retaining key talent, and foster good working relationships between colleagues. The offices have been refurbished to a high standard. Wherever possible, we’ll be reducing waste to support our net-zero ambitions.

Stakeholder key:



Our people



Beneficiaries



Healthcare partners



Communities



Government



Suppliers and partners

Ethnicity report

Significant decision
To include our ethnicity statistics in our Gender Pay Gap Report, although not legally required to do so.

Stakeholder groups affected



S172 factors considered



Action taken

The Board is committed to developing a diverse and inclusive culture that encourages people to be themselves. Our Equity Forum has gone from strength to strength, and open discussions about issues faced in the workplace have fed into our executive strategy. To support our equity agenda, we’re looking to attract and retain people from diverse backgrounds. We’ve increased our presence on career sites such as Vercida, which works only with employers actively committed to equity, diversity and inclusion. This year, the Board agreed that, although not a legal requirement, we should publish our ethnicity pay gap, as part of our Gender Pay Gap Report. The decision acknowledged that completion rates of HR employee profiles showed 60% ethnicity disclosure when the Report data was collected in April 2021. It proved a starting point to measure progress. We’re engaging with employees to raise awareness of the importance of diversity data, and are encouraged that the disclosure rate is now 73%.

Impact of the decision

The decision reinforces our open and honest approach to communicating with our people, and the wider authorities, on matters of gender and ethnicity. Our goals are published and will be tracked on a regular basis. We’re now subscribing to the Diversity and Inclusion Index, on the HR Datahub benchmarking platform. This will further support our equity journey.



Carbon net zero goals

Significant decision
To commit to an ambitious, science-based, target to be carbon net-zero for Scope 1 and 2 emissions by 2030, and Scope 3 by 2040.

Stakeholder groups affected



S172 factors considered



Action taken

The World Health Organisation highlights climate change as the biggest health threat facing humanity. The Board agreed that we must set out our plans for the future. Our commitment is to be carbon net-zero for Scope 1 and 2 emissions by 2030, and Scope 3 by 2040. This year, we’ve been working to understand our carbon footprint and what we can do to reduce it to net zero. We’re starting by reducing carbon emissions by 5% in 2022. To help us achieve this we’ve launched an internal sustainability campaign focused on energy reduction. We’re looking to engage and inspire our people to get involved so this becomes a Nuffield Health team target. The board approved investment in our infrastructure to start a programme of system maintenance and upgrading lagging. To help inform others, we’ll be transparent in communicating our progress towards meeting our goal. We believe our targets are sector leading and we’re committed to creating a more sustainable environment.

Impact of the decision

The decision publicly confirms our commitment to sustainability, in line with our purpose to build a healthier nation. The targets and actions to achieve our carbon net-zero goal position us as sector leading, and illustrate that our purpose is core to everything we do. As a supplier to the NHS, our targets are aligned to its Net Zero Supplier Roadmap.

Risk management

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 our stakeholders' expectations.

Our risk management framework supports the identification and mitigation of the key risks that could prevent us from delivering our purpose and strategic objectives. The Charity continues to operate in an external environment which brings challenges as well as opportunities, and it is important that we have the tools and practices in place to best respond to these.

Risk management framework

Nuffield Health recognises the importance of having a robust risk management framework in place, which supports good risk management practices, in helping to ensure that we:

- meet the needs of all our beneficiaries and stakeholders
- achieve our charitable purpose
- appropriately safeguard our assets
- maintain our long-term financial sustainability.

In 2021 we undertook a deep dive review of our framework and implemented a new risk management policy with revised processes to further enhance how we manage risk across the Charity.

The main elements of our Risk Management Framework are set out below:

Risk Management Policy

We have in place a set of clear and accessible policies which define the way we conduct our business and are a key element in how we manage risk. Central to these is the Risk Management Policy, while other key policies determine how we manage specific areas of risk such as clinical, financial, health and safety, information technology and data security.

Our Risk Management Policy sets out a Risk Management Framework which:

- ensures that all risks are managed using consistent methodology across the Charity
- ensures that governance committees are kept informed of new, existing and emerging risks, so that well-informed decisions can be made
- supports the Charity's risk appetite and monitors risks against it
- appropriately addresses incidents where risks have crystallised
- promotes a positive and progressive risk culture across the Charity.

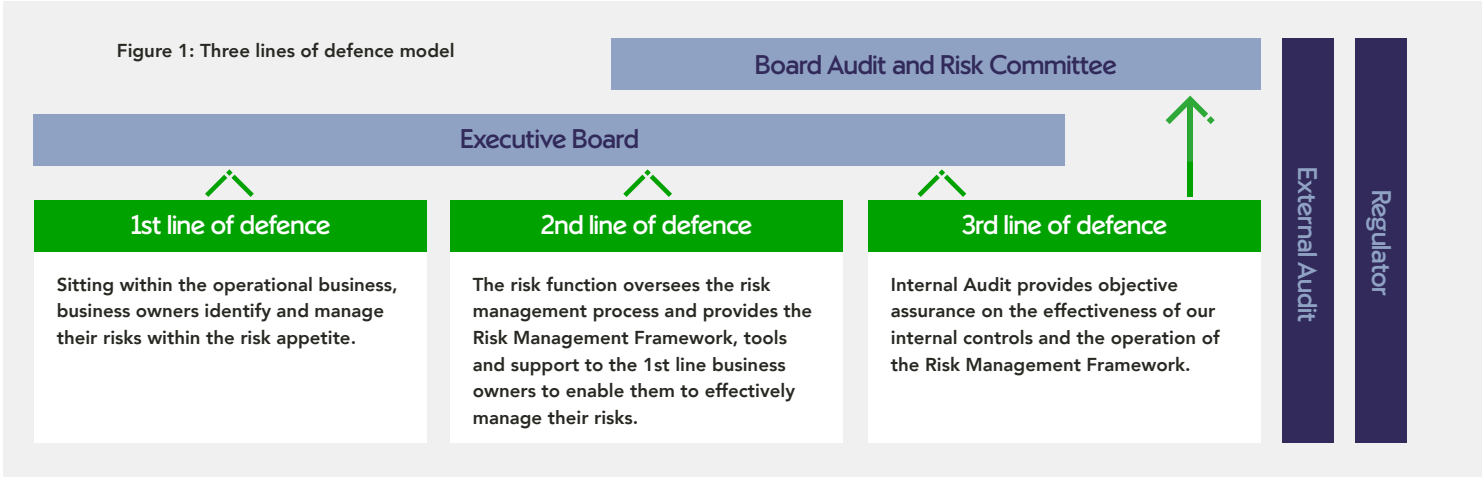


Figure 2: Positive risk culture framework used to manage risk

Our approach to risk management utilises the three lines of defence model ensuring roles and responsibilities are clearly defined (see Figure 1).

Risk oversight

Our Board of Trustees has overall ownership of the Charity's Risk Management Framework and discharges this responsibility through two sub-committees which are dedicated to the oversight of risk:

- The Board Audit and Risk Committee (BARC) ensures the Charity has in place an effective approach to risk management, and governs non-clinical enterprise risk across strategic, operational, commercial, and financial pillars
- The Board Quality and Safety Committee (BQSC) governs clinical, quality, and health and safety risks.

Reporting into the Board of Trustees, the Executive Board is accountable for ensuring the Charity's adherence to the Risk Management Policy, while senior leaders and other risk owners across the Charity are responsible for the day-to-day management of their risks. Through a hierarchy of governance committees, the Executive Board members and other senior leaders provide objective challenge on the management of risks. This culminates in regular risk reports to the BARC and BQSC to enable the Board of Trustees to maintain effective oversight.

How we manage our risks

All identified risks are recorded on a risk register with each risk having a single owner in the 1st line who is responsible for ensuring their risk is measured, managed, monitored and correctly reported (see Figure 2). Risk owners are responsible for measuring the severity of their risks using our impact and likelihood scoring criteria which allow the severity of different risks across the Charity to be compared. Mitigating controls and planned corrective action are recorded, and these are then reviewed and challenged by senior leaders on a regular basis.

The most significant current and emerging risks are reported to higher committees for indepth scrutiny, through a well-established reporting system. The Charity's top risks (principal risks) are scrutinised by either the BARC or BQSC, depending on the nature of the concern.

The management of our risks will only be fully effective if there's a good level of awareness, and a constructive attitude towards taking and managing risk. A positive culture is encouraged across Nuffield Health, through the training of risk owners, and top-down endorsement and engagement by senior management.

Risk appetite

Risk appetite is a key component of our Risk Management Framework which is determined by the Executive Board, and validated by the BARC. As a healthcare and wellbeing charity, we operate in a highly regulated environment where our focus is on delivering high quality care and services to our beneficiaries, while striving to further develop and enhance those services. Accordingly, the Charity needs to manage its Principal Risks within a range of risk appetites in order to fulfil its charitable purpose, meet stakeholder expectations, and deliver on its strategic objectives.

As part of our commitment to continuous improvement, the Charity is reviewing its risk appetite framework to ensure that it remains appropriate and is effectively embedded across the Charity. This supports risk-aware decision making, and enables the appropriate oversight and scrutiny of risks deemed to be outside our appetite criteria.





Principal risks

Through our risk management framework, the Board of Trustees and Executive Board identify and oversee the Charity's Principal Risks which could threaten the delivery of our strategic objectives, significantly disrupt our operating model, or negatively impact our future financial performance. An annual review takes place to ensure the Principal Risks remain aligned to our strategy and the external environment in which we are operating.

Ten of the Charity's Principal Risks are presented on pages 96-99 with a summary of mitigations and forward plans. 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.

The risk landscape in 2021

Our Principal Risks remain largely unchanged compared to 2020, however changes in the external and internal environment shifted the priority areas of focus and we have noted some examples below.

COVID-19 legacy

During 2021, we continued to respond at pace to the challenges arising from COVID-19. While we remain alert to the possibility of future forced closures of our sites, which could result in significant changes to staffing and our operating model that would negatively impact our beneficiaries, other risks arising from the pandemic, such as those relating to the safety and wellbeing of our stakeholders and staff, were embedded into our operational risks as part of business as usual.

Attracting, retaining, and developing our workforce to continue to deliver high quality services in line with our strategic plans, remains one of our Principal Risks and it continues to be impacted by the legacy of the pandemic (Risk 4 in the 'Our Principal Risks' table on page 96). The demand for healthcare services and professionals to deliver them continues to grow, and we are prioritising mitigations to ensure that we have a happy, healthy and productive workforce.

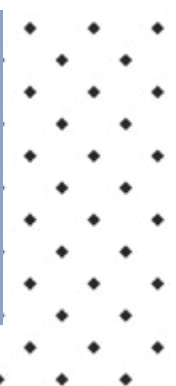
The rapid shift to digital services as a result of the pandemic has placed a greater need to ensure that our technology infrastructure continues to support increased delivery of digital services to our beneficiaries, while also enabling our support services to deliver efficient and effective processes to both internal and external stakeholders (Risk 10 on page 98).

Executing successful change

The Charity has an ambitious strategic development and growth plan, which it continued to implement during 2021. Initiatives included the building of Nuffield Health at St. Bartholomew's hospital, the development of a new electronic patient records system, and the acquisition of Aspen Healthcare Limited. These initiatives bring with them risks around the successful realisation of benefits (Risk 9 in on page 98) which are managed through a clearly defined programme risk framework with oversight from the Executive Board and Trustees. An internal audit performed in 2021 provided objective assurance on the delivery of change programmes and the management of associated risks.



The Charity has developed an environmental sustainability strategy which seeks to minimise the negative impact we have on our living environment in our day-to-day activities.



Looking forward

As the world continues to learn to live with COVID-19, there are additional challenges arising in the external environment which could present a significant risk in 2022 and beyond.

Financial sustainability

The uncertainty and operational disruption arising from the pandemic and the start of the Russia-Ukraine conflict in early 2022 created pressures on the global economy. Therefore, maintaining the financial sustainability of the Charity remains one of our Principal Risks (Risk 1 on page 96). We continue to mitigate this risk through robust financial governance, enhancing our financial infrastructure by upgrading our IT systems, process improvements, and successfully refinancing in 2022 to support greater financial stability and flexibility (see note 36 on page 173).

Economic climate

Challenges in the economic climate remain one of our Principal Risks (Risk 2 on page 96). Rapidly rising inflation and energy costs due to the economic challenges arising from the Russia-Ukraine conflict is placing increased pressures on our finances. In addition, supply chain disruption arising from interruption to distribution channels, third party supplier failures, and/or sanctions arising from the conflict could see services to beneficiaries impacted either directly, if essential goods and services can't be sourced, or indirectly, through rising prices.

Furthermore, the rising cost of living caused by inflationary pressures could cause indirect pressures on the Charity, with reduction in service users as

beneficiaries tighten their spending. The Charity is constantly monitoring these economic challenges and taking prompt and considered mitigating action in response through our robust financial planning processes.

Our living environment

As a healthcare and wellbeing services provider, we are acutely aware of the impact that our services have on our living environment, through our carbon footprint, our use of natural resources such as gas and water, and how we deal with our waste. The Charity has developed an environmental sustainability strategy which seeks to minimise the negative impact we have on our living environment in our day-to-day activities as set out on pages 66-75 and ensures we are responding to stakeholder expectations and maintaining our reputation for doing the right thing (Risk 8 on page 98).

Additionally, we are acutely aware that climate change over the long term will impact what services we may need to deliver, and how we will deliver these. We could see possible rises in incidents of flooding, fire and storm damage, all of which could impact the services we provide our beneficiaries, especially if those incidents directly impact our staff, infrastructure or physical assets. We need to be mindful of how our operations may need to be adapted accordingly as part of our longer-term strategic plans to mitigate the risks associated with climate change adaptation.

Our principal risks

Strategic priorities key:



Public benefit



Quality outcomes and assurances


















Connected health



Brand trust



Financial sustainability

Risk	Strategic priorities	Description	Mitigations	Forward plans
1 Financial sustainability	    	<p>There is a risk that we are unable to maintain or build on the delivery of our strategic objectives if we do not have sufficient earnings or funding. 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"> ◆ Robust financial processes and controls ◆ Monitoring of financial performance ◆ Strategic activity undertaken to enhance and promote a positive reputation for the Charity ◆ Ongoing engagement with lenders 	<ul style="list-style-type: none"> ◆ Continue to implement robust financial management oversight and controls ◆ Continue to drive operating cost efficiencies through procurement activities and cost transformation activities
2 Economic climate	    	<p>There is a risk that revenue and cash flow cannot be maintained due to a depressed economic climate, with the impacts of COVID-19, Brexit and the Russia-Ukraine conflict expected to continue to bring uncertainties to the economic outlook throughout 2022. The Charity's 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"> ◆ Financial stress tests and scenario modelling ◆ Robust financial processes and controls ◆ Capital expenditure approval and oversight processes ◆ Supply chain monitoring to mitigate shortages and cost exposures ◆ Energy hedging used as part of finance strategy ◆ Ongoing engagement with lenders 	<ul style="list-style-type: none"> ◆ Use of forward purchasing in energy trading for certainty on costs ◆ Respond to the market and accelerate cost control programmes/implement discretionary spend controls as needed
3 Service propositions	    	<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. We need to ensure that we prioritise investment and our organisational ability to deliver the required changes to capitalise on the opportunities to offer better, expanded and more connected services. We want to deliver best in class beneficiary outcomes, increase our charitable reach, and stay ahead of other service providers.</p>	<ul style="list-style-type: none"> ◆ Dedicated propositions team with accountability for developing insights-led propositions and connected journeys based on market needs ◆ Market research and monitoring of trends 	<ul style="list-style-type: none"> ◆ Review of organisational ability to support propositions and change ◆ Investment in new propositions driven by reliable market insight
4 Workforce	    	<p>There is a risk that the Charity is unable to attract, develop and retain the right quantity and calibre of allied health professionals and other critical roles to enable us to deliver our services to the high levels of safety, care and excellence expected while supporting the ambitious growth plans of the business. We operate in a scarce market and the expectations of employees have risen, therefore we need to ensure that our attraction, development and retention packages are competitive with both the private sector and the NHS.</p>	<ul style="list-style-type: none"> ◆ Employee engagement strategy and programme of activity with initiatives to enhance staff wellbeing and retention ◆ KPI monitoring includes staff turnover/retention, vacancies and engagement ◆ Robust performance management processes 	<ul style="list-style-type: none"> ◆ Ongoing review of our People Experience proposition to ensure it is not only competitive but market leading ◆ Implementation of planned employee engagement initiatives ◆ Market pay evaluations
5 Quality of care	    	<p>There is a risk that we compromise the quality of our service provision through non-compliance with national guidance or local policy, inappropriate operating procedures, inadequate environment, and/or lack of capability. Any incidence of sub-standard performance could adversely impact beneficiary health and wellbeing, and result in additional costs, financial penalties, reputational damage and other sanctions (including loss of registration).</p>	<ul style="list-style-type: none"> ◆ Robust Quality Assurance Framework ◆ Programme of Quality improvement activity ◆ Promotion of a culture of openness and transparency ◆ Suite of policies and protocols that govern activities ◆ Induction, onboarding, and training programmes for employees to embed Nuffield Health's standards and processes 	<ul style="list-style-type: none"> ◆ Quality Improvement Plan 2022 agreed and monitored by the Board ◆ Continued business as usual Quality monitoring, support and improvement activity



Strategic priorities key:



Public benefit



Quality outcomes and assurances



Connected health



Brand trust



Financial sustainability

Risk	Strategic priorities	Description	Mitigations	Forward plans
<div>6</div> <div>Cyber security</div>		There is a risk of a cyber-security incident that could result in a serious data breach with 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 confidential data being stolen or accessed without authorisation by either external or internal parties.	<ul style="list-style-type: none">◆ Operational cyber-security technologies and controls◆ Certification to ISO 27001, which is independently audited◆ Regular independent technical security testing, including cyber-attack simulations◆ User training and awareness campaigns◆ Monitoring and risk-based continual improvement of operational cyber-security technologies and controls	<ul style="list-style-type: none">◆ Ongoing monitoring of cyber-security risk profile, including the Aspen information technology (IT) environment◆ Roll-out of new security technology and initiatives to enhance control environment
<div>7</div> <div>Regulatory and policy environment</div>		There is a risk that the Charity fails to recognise, adapt to and comply with increasing and changing rules, regulations, policies and legislation. This could result in additional costs, penalties and other sanctions (including loss of registration), damage to patients' and members' health and wellbeing, and damage to our reputation.	<ul style="list-style-type: none">◆ Continuous review of policies and procedures to ensure adequacy and relevance◆ Compliance audits◆ Horizon scanning with key links into regulatory bodies to gain early sight of upcoming regulatory and policy changes◆ Change management framework to assess the scale and impact of new regulations and policies and oversee implementation of changes to ensure compliance is maintained	<ul style="list-style-type: none">◆ Policy audit to ensure policies are continually updated and accessible◆ Continued focus on promoting compliance behaviours◆ Internal compliance and assurance reviews
<div>8</div> <div>Brand enhancement and protection</div>		There is a risk that we do not build and/or maintain Nuffield Health's brand awareness and trust due to our failure to; deliver a clearly articulated and funded brand and marketing strategy, listen and respond to stakeholder expectations and/or adequately address a charity-wide damaging media event. We are reliant on our trusted reputation to deliver the Charity's purpose and strategic objectives.	<ul style="list-style-type: none">◆ Mandatory values and behaviours training for staff◆ Incident reporting and whistleblowing processes in place to ensure incidents are dealt with efficiently and effectively◆ Customer satisfaction and complaints monitoring◆ Sponsorship of leading research programmes◆ Standard operating procedures and controls in place within operational areas◆ Brand marketing/advertising investment	<ul style="list-style-type: none">◆ Investing in our brand and marketing strategies to support our strategic ambitions◆ Continuation of our partnership with the FA into 2023, showcasing the power of sport to improve health
<div>9</div> <div>Major change projects</div>		There is a risk that we do not realise all the benefits from change programmes effectively due to multiple large and sometimes complex change projects running concurrently. Failure to implement change on time and with delivery of the intended benefits could result in additional costs and opportunities being missed.	<ul style="list-style-type: none">◆ Robust pre- and post-investment appraisal process◆ Strong project governance◆ Standard good project management practices◆ Independent reviews of key projects by Internal Audit to ensure that the risks are appropriately identified and resolved	<ul style="list-style-type: none">◆ Regular updates on individual projects and the collective programme of change via appropriate governance◆ Continuous improvement of the processes and governance around investment decisions and change management
<div>10</div> <div>Technology</div>		There is a risk that we fail to keep pace with, and effectively exploit, technological developments that could improve our efficiency and resilience, and meet customer needs and expectations. Failure to develop our technology effectively could result in unnecessary costs and reputational damage.	<ul style="list-style-type: none">◆ Strategic plans in place to develop the IT estate in line with wider business strategy◆ Major incident management process in place to minimise outage times and manage the impact◆ Monitoring and risk-based continual improvement of operational cyber-security technologies and controls	<ul style="list-style-type: none">◆ Business plan activities to replace legacy technology◆ IT disaster recovery planning◆ Revised IT operating model with a focus on risk management and assurance

Trustees' Report

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Chair's introduction to the Board of Trustees' Report



A highlight of my first year as Chair has been meeting so many of the people working for the Charity. I travelled from Plymouth, to York, Glasgow, Cardiff and Bournemouth, talking to people about how they pulled together during the pandemic, and their hopes for the future. I also met a number of beneficiaries who told me about the positive impact our services have on their lives. It was very inspiring and their views will shape our ongoing strategy.

Throughout the year, I've been impressed at the tenacity and strength of the Nuffield Health team and its ability to deal with any challenge. We continued to deliver outstanding services and outcomes for our beneficiaries, increased stakeholder engagement and built strong new partnerships, working more closely with like-minded organisations on major health care needs.

We're reaching people living on lower resources, and are having a positive impact on communities currently under-served in terms of healthcare. I have no doubt that we're achieving our purpose to build a healthier nation.

The role of the Board of Trustees is one of stewardship, overseeing the governance and risk management of this great Charity. During 2021, our priority was to support Steve and his Executive Management Team, who worked so hard to get us through the pandemic and ensure our long-term sustainability. A sound governance and risk management operating model, combined with our strategic plan, gave us confidence to act with clarity, during these fast-moving times.

In the Autumn, I was delighted to welcome Mark Stansfeld and Dr Junaid Bajwa to the Board. Their appointment was a result of our Quarter 4 2021 Board effectiveness review, and reflected our desire to increase expertise in the areas of digital technology and healthcare. Both made strong

contributions from the outset and are helping us understand the importance of our data, as well as navigate opportunities presented by new technologies.

Looking ahead, our emphasis will be on the responsible use of natural resources and the move towards a low carbon organisation, with an end goal of carbon net zero. I was pleased to see the launch of an internal sustainability campaign, to encourage all our people to get involved and help us meet these targets.

Next year, for the first time, we will report in line with the Task Force on Climate-related Financial Disclosures (TCFD) requirements. This will help us better understand the impact climate change poses to the Charity, as well as any physical and transitional risks.

In closing, I must thank my fellow Trustees for their hard work, and the support given to me in my first year of tenure. Thanks also go to Steve and his Executive Management Team who've shown unstinting dedication to Nuffield Health, its people and beneficiaries over the year. And, of course, to the wider-team, without whom this Charity would not exist.

This is a very special organisation and I'm proud to be its Chair. The following pages set out details of the composition of the Board of Trustees, its corporate governance, processes and activities, as well as reports from key Committees.






Our Board of Trustees approved this report on 29 September 2022, and I commend it to all our members.

Natalie-Jane Macdonald

Dr Natalie-Jane Macdonald
Chair

Our Board of Trustees

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

Key:  Board Audit and Risk Committee  Trustees' Nominations Committee  Board Quality and Safety Committee
 Executive Remuneration and Succession Committee  Finance and Investment Committee

◆◆
This is a
very special
organisation
and I'm proud
to be its
Chair.
◆◆



Dr Natalie-Jane Macdonald  

Chair, Board of Trustees
Appointed: June 2020, having joined the Board in 2017

Over 30 years' experience in health and social care. Began her career as a physician and clinical lecturer in the NHS, before joining the British Medical Association (BMA) as Head of Medical Ethics and International Affairs. Other commercial appointments include Managing Director of BUPA's UK Insurance and Wellbeing Division, and CEO of Sunrise Senior Living.

External appointments: Chair, Voyage Care; Chair, Edison Young People; Non-Executive Director of Riverstone Living.



Steve Maslin

Chair, Board Audit and Risk Committee
Appointed: July 2017

Partner in Grant Thornton for 28 years, specialising in auditing listed and large private businesses. Roles included Chair of the Partnership Oversight Board, and Head of Assurance.

External appointments: Director and Chair of Risk and Audit Committees, Carey Group PLC, and The Gurkha Museum. Risk and Audit Committee member of the Royal Collection Trust.



Lord Victor Adebowale

Appointed: June 2019

A social and business entrepreneur who has advised the Government on social policy issues. After working on the Alcohol Recovery Project, he became CEO of homelessness charity Centrepoin, and then Chair of social care enterprise Turning Point. Currently Chair of the NHS Confederation.

External appointments: Non-Executive Director, the Co-operative Group; Chair of Social Enterprise UK. Crossbencher in the House of Lords.



Martin Bryant

Chair, Finance and Investment Committee
Appointed: 2013

Extensive experience of strategy and marketing, as well as how to position an organisation. Worked at the Home Office and for a number of FTSE 250 companies.

External appointments: Non-executive positions with the Government Procurement Service, the Scouts Association, Wesleyan Bank and Wesleyan Assurance. Trustee of Vision Aid Overseas.



David Lister

Chair, Board Quality and Safety Committee; Chair, Trustees' Nominations Committee
Appointed: 2014

Over 40 years' experience working in IT and operations for large international businesses, including GlaxoSmithKline, Boots, Reuters, RBS and National Grid.

External appointments: Chair of M&S Bank, FDM Holdings and HSBC Private Bank UK. Non-Executive Director for HSBC UK and a member of the Court at Heriot-Watt University.



Dame Lin Homer

Appointed: February 2019

Experience as a leader of complex operational and political organisations, including the Department for Transport and HM Revenue & Customs. Worked in the public sector for over 30 years.

External appointments: Non-Executive Director on a number of charitable and not-for-profit organisations.



Neil Sachdev MBE

Appointed: 2018

Extensive property and retail experience, having worked as Group Property Director of J Sainsbury and, before that, spent 28 years at Tesco, where he rose to Stores Board Director. Neil was awarded an MBE for his work in relation to energy efficiency and sustainability in the retail sector.

External appointments: Chair, Defence Infrastructure Organisation. Chair, Bonhill Group PLC. Chair, Cake Box Holdings Plc.



Appointed: June 2018

Extensive healthcare experience, and of organisations going through change. Previously a Senior Partner at PwC, where he led its Global Health practice. A member of PwC UK's Board, and Chair of its Non-Executive Directors' forum.

External appointments: Former Chair, Bowel Cancer UK; Trustee and Treasurer, Shakespeare's Globe. Trustee of the National Trust.

Appointed: September 2021

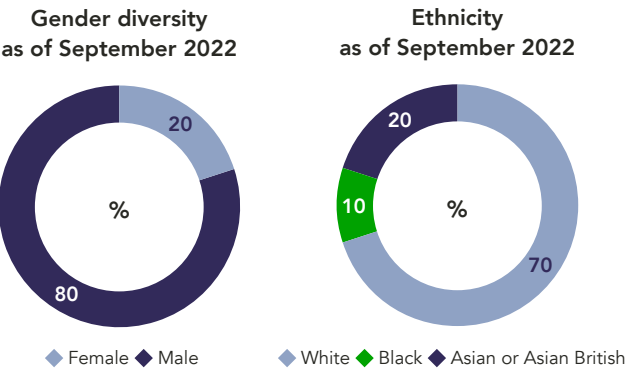
More than 15 years' experience working across primary and secondary care, and public health settings, in addition to acting as a UK policy maker, specialising in informatics, digital transformation and leadership. He has also acted as a consultant for healthcare systems across the globe.

External appointments: NHS physician. Chief Medical Scientist, Microsoft Research. Non-Executive Director, University College London Hospital NHS Foundation Trust.

Appointed: October 2021

Worked for 30 years in the telecoms and digital economy, promoting adoption of new technologies with businesses such as giffgaff, a community-led mobile operator.

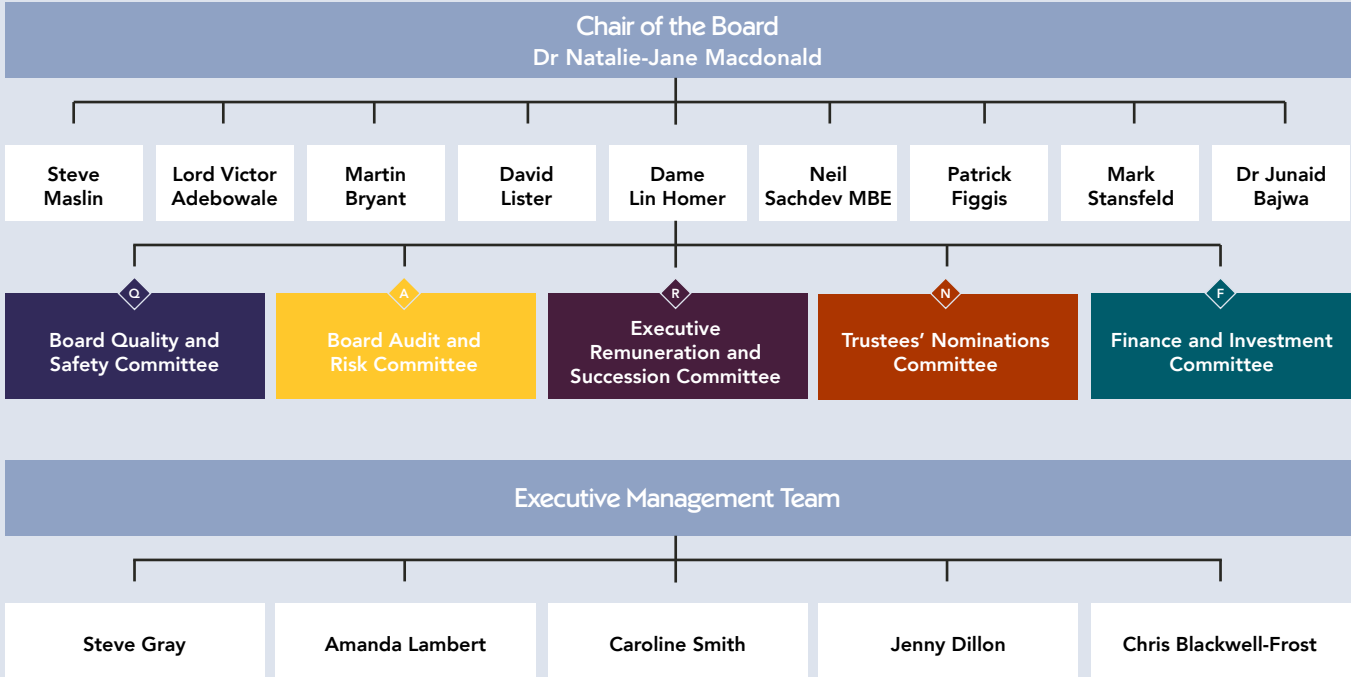
External appointments: Chairs the Government's Department for Digital, Cultural, Media and Sport's (DCMS) largest trial test bed, driving adoption of 5G technologies in health, manufacturing and transport. Non-Executive Director for broadband provider Quickline, addressing digital divides in rural communities.



2021 Board changes

- ◆ Mark Stansfeld appointed October 2021
- ◆ Dr Junaid Bajwa appointed October 2021

Structure of the Board



2021 Board attendance

	Board of Trustees	A	Q	R	F
Number of meetings in 2021	11	4	4	2	7
Numbers attended					
Dr Natalie-Jane Macdonald (Chair)	11	4	4	2	7
Martin Bryant	11	4	–	2	7
David Lister	11	–	4	–	–
Steve Maslin	10	4	–	2	–
Patrick Figgis	10	4	2	–	–
Neil Sachdev	10	–	–	–	7
Dame Lin Homer	8	–	4	–	7
Lord Victor Adebawale	9	–	–	–	–
Dr Junaid Bajwa (appointed September 2021)	2	–	–	–	–
Mark Stansfeld (appointed October 2021)	2	–	–	–	1

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

Steve Gray
Chief Executive Officer

Took over the role of CEO, Nuffield Health, on 1 December 2015, having previously been Healthcare Director at A S Watson. Prior to this, he led the development of health and wellbeing services at LloydsPharmacy. Steve has over 40 years’ experience working primarily within the healthcare sector, and has held senior management roles for the last 30 years.

Amanda Lambert
Chief Customer Officer
Appointed: April 2021

Responsible for people, technology and driving forward our customer agenda, including defining our Beneficiary Value Proposition. Amanda brings a wealth of experience in leading digital transformation in customer-focused organisations, having led the customer and sales divisions of O2, Hutchinson 3G and Xerox.

Caroline Smith
Chief Quality and Operating Officer

Responsible for delivering our Quality and outcomes objectives and driving our transformation agenda, Caroline has a wealth of experience spanning healthcare services. She has worked in regulated and unregulated outsourced services, alongside the pharmaceutical industry and direct to the NHS. Previously she was a Partner at Management Solutions for Healthcare.



Jenny Dillon
Chief Financial Officer

Responsible for finance and procurement at Nuffield Health, Jenny previously led the UK Finance senior leadership and business partnering teams for National Grid. She also held a number of senior finance roles at Central England Co-operative Society, and LloydsPharmacy.

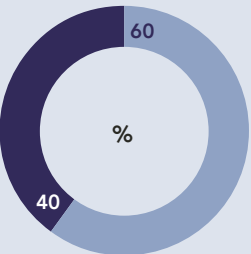
Chris Blackwell-Frost
Chief Strategy Officer

Responsible for strategy, brand, property and transformation, Chris is a pharmacist by training. He has over 25 years’ experience in sales, clinical services development, strategic marketing, acquisition and branch development across the healthcare and pharmaceutical sectors. He previously worked at LloydsPharmacy and AAH Pharmaceuticals.

Our Executive Management Team

The Executive Management Team manages the Charity, develops the strategic direction for approval by the Board of Trustees and implements the agreed strategy.

Gender diversity
as of September 2022



◆ Female ◆ Male

Tenure
as of September 2022



◆ 1-2 years ◆ 2-5 years ◆ 6 years +

Executive Management Team changes during 2021

- ◆ Martin Friend, Chief Operations Officer, served until May 2021.
- ◆ Karl de Bruijn, Chief Technology Officer, served until March 2022.
- ◆ Jane Garvey, Chief People Officer, served until May 2022, when she changed position to Executive Development 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.

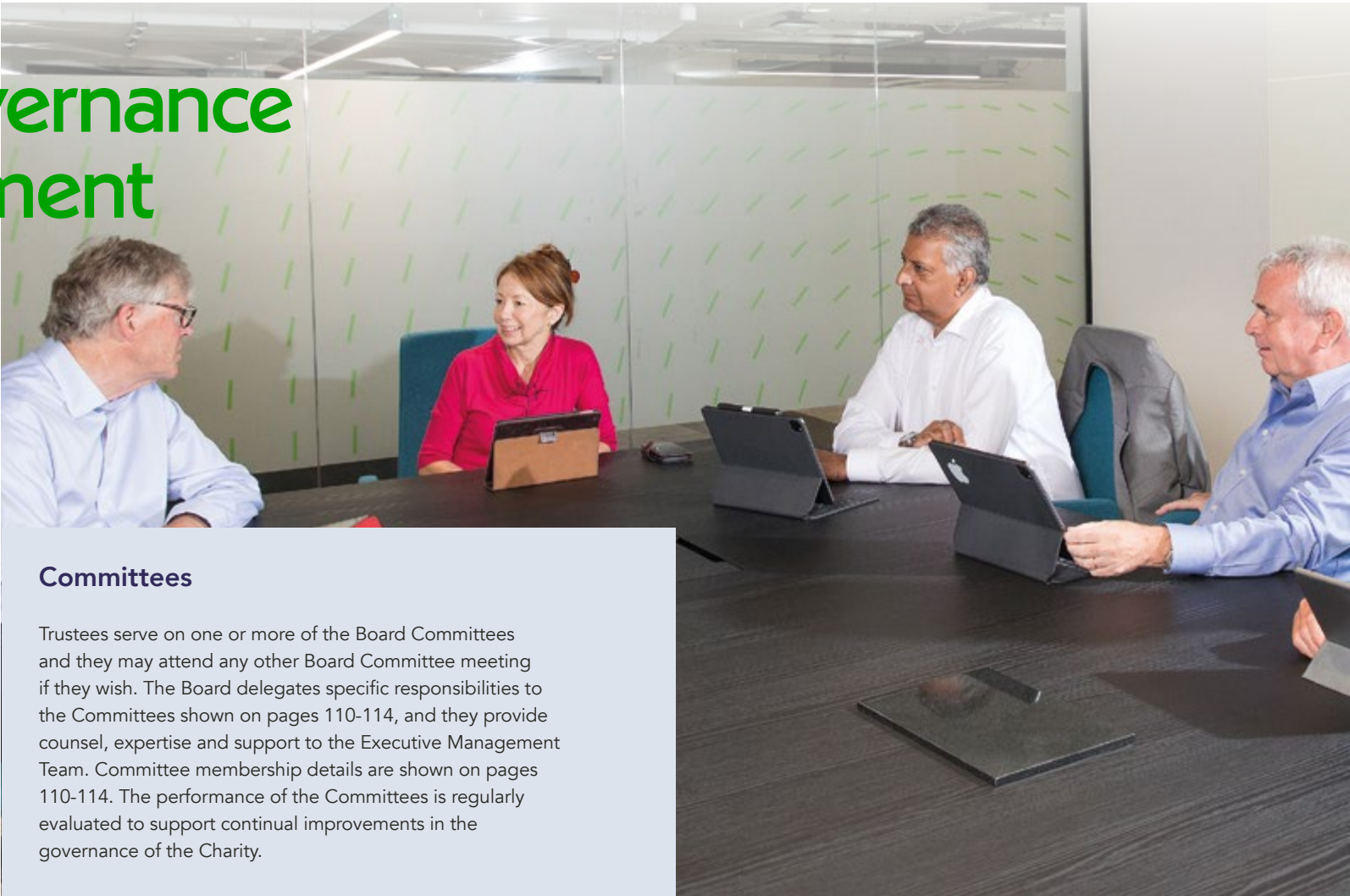
Trustees

The Nominations Committee recommends candidates for appointment as 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 usually limited to serving a total aggregate of nine years. For more on our Trustees' areas of responsibility, see pages 102-105.

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 has members. 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 fundamental to 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



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 on pages 110-114, and they provide counsel, expertise and support to the Executive Management Team. Committee membership details are shown on pages 110-114. The performance of the Committees is regularly evaluated to support continual improvements in the governance of the Charity.

and Trustees, consultants, academics and supporters of the Charity and its objectives.

Board of Trustees

In 2021, the Board of Trustees met 11 times, with a comprehensive schedule of work, focused on:

- guiding the Charity's continuing 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 external factors, including Brexit.

Following the approval of a 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 conducted a thorough strategic review during 2021, which settled on an approach of ambitious evolution. Read more about the Charity's strategy on pages 20-21.

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 whom are experienced Non-Executive Directors, are regularly updated as to relevant legal and regulatory matters pertaining to the Charity and its activities. The charity has in place a comprehensive induction programme for new Trustees to provide meaningful insights into the charity's objectives, operations and governance. For important events which have occurred since the end of the financial year, see note 36 on page 173.

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 (see Section 172 statement on page 90).

The Board of Trustees has identified that our stakeholders are as described on pages 88-89 of this report. The table shows how we engage with our stakeholders, and the outcomes of these interactions in 2021. 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 Management Team.

Board review of compliance with 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 2021 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.

Committee reports

Board Quality and Safety Committee

Chair: David Lister

Committee members

Dr Natalie-Jane Macdonald
Dame Lin Homer
Patrick Figgis
Dr Junaid Bajwa

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 four times during 2021, with Elizabeth Robb providing independent input during the year.

The CEO regularly attends meetings. The following attend by invitation: the Chief Quality and Operating Assurance Officer; Chief Medical Officer; Charity and Medical Director; Responsible Officer; Head of Clinical Quality & Professional Practice; Chief People Officer; General Counsel and Company Secretary; National Hospital Operations and Development Director; and Clinical Governance Lead who provides secretariat services.

Main activities of 2021
The BQSC played a key role in the oversight of clinical assurance as we emerged from the pandemic, and adapted our service provision to support the NHS, where needed, and the health of the nation during 2021.

As an integral component of our Quality Assurance Framework, alongside the Quality Board 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
- held safety conversations with a wide range of patient facing employees
- 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.

Executive Remuneration and Succession Committee

Chair: Dr Natalie-Jane Macdonald

Committee members

Martin Bryant
Steve Maslin

Purpose

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

Membership and frequency
The Committee met a total of two times in 2021. During 2021 the members of the Committee were Dr Natalie-Jane Macdonald (Chair), 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

- The Committee reviewed the performance and objectives of each member of the Executive Management 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 50:1. This is calculated as the CEO's total annual emoluments (salary and bonus) in 2021, as a ratio to our median employee FTE total emoluments in 2021.

Trustees' Nominations Committee

Chair: David Lister

Committee members

Dame Lin Homer
Neil Sachdev

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 2021, the members of the Committee were David Lister (Chair), Dame Lin Homer and Neil Sachdev.

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.

In October 2021, the Committee recruited new Trustees Junaid Bajwa and Mark Stansfeld to reinforce the skills and talent we already have.

Board Audit and Risk Committee

Chair: Steve Maslin

Committee members
Martin Bryant
Patrick Figgis
Dame Lin Homer (appointed December 2021)

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 four times in 2021 and is scheduled to meet four times in 2022. The Committee met to review the Annual Report and Accounts and receive the report from the External Auditor in July and September 2022.

Representatives from the External and Internal Auditors attend meetings, along with the Chief Executive Officer, the Chief Financial Officer and the Financial Director. Other members of the leadership 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 member of the BQSC, attended the 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.

Key audit and accounting judgements

ISSUE		RESPONSE
Impairments 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 external valuations to assess the asset's carrying value and calculates an impairment charge where appropriate.		The Committee reviewed management's impairment trigger assessment across a portfolio of strategic projects, fixed assets on sites of onerous leases, sites for re-sale and goodwill performed at year end. The Committee was satisfied itself that the assumptions used, and the resultant impairment assessments, were reasonable.
Onerous leases 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 the expected cash flows at each site over the remainder of the lease and the net present value of rent, and calculates an onerous lease provision where appropriate.		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.
Adjusting items Judgement is required when considering whether an item is adjusting due to being significant either individually or in aggregate of a similar type or event that has arisen outside the Group's operating activities. Management has identified adjusting items associated with reorganisation and transformation and movements in relation to onerous lease provision and impairment of assets.		The Committee reviewed the treatment of adjusting items, as detailed by management. It was satisfied in the treatment used of such income and expense items.
Capitalisation and useful economic lives of assets developed through key change projects 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.		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.
Going concern As the Charity continues its recovery from the COVID-19 pandemic and significant uncertainty continues in the external environment, appropriate financial modelling was undertaken to support the assessment of the Charity as a going concern.		The Committee reviewed management's financial modelling and reasonable downside scenario, and the headroom to new financing 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.
Acquisition accounting In 2021 Nuffield completed the purchase of five hospitals from Northwest Healthcare Properties. Assessments were made when acquisition accounting for the five hospitals including assessing the fair value of assets, inventory and pensions schemes. Sale and leaseback accounting The Woking freehold was sold to Northwest Healthcare Properties. Management has taken a judgement on the classification of the lease as an operating lease.		The Committee reviewed the basis upon which judgements were exercised and was satisfied with the basis of preparation proposed by management.

The Committee met with the External and Internal Auditors regularly throughout the year without the presence of management, to provide opportunity for the Auditors to report directly, and independently, to the Committee.

Main activities

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 appropriate rigour is applied within the audit process.

The Committee's review of the Annual Report and Accounts included an analysis of key audit and accounting judgements; and the presentation of KPIs, including 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. The BARC performed further robust reviews in the following key areas:

- Charity Strategic Risk Register
- cyber-security
- strategic change and transformation projects, including review of associated risk registers, milestones and critical paths
- NHS counter-fraud planning
- risk appetite
- refinancing.

The Committee also reviewed and approved the Internal Audit plans for 2021 and 2022, following recommendation from ARC. The 2021 audit approach focused on strategic change and transformation programme activity. The plans for the financial year 2022, in line with guidance from the Committee members, reflects a more standard approach aligned to the Charity's principal risks, following a more agile audit approach in 2020 and 2021, necessitated by the impact of the COVID-19 pandemic on the Charity.

Regular reports were received on audit findings and actions, to ensure sufficient rigour in the audit programme and adoption of recommendations by the Charity.

Finance and Investment Committee

Chair: Martin Bryant

Committee members

Neil Sachdev
Natalie-Jane Macdonald (appointed March 2021)
Dame Lin Homer (served until December 2021)
Mark Stansfeld (appointed December 2021)

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.

Membership and frequency

The Committee met seven times in 2021. The Chief Executive Officer and Chief Financial Officer attended each meeting and other representatives from the Executive Management Team were invited to attend to provide expert knowledge where this was required.

Main activities

In line with the Charity's delegation of authority, the Committee reviews all proposals and material contracts which exceed the delegated authority of the Chief Executive Officer, Chief Financial Officer and the Executive Board. The authority limits require the Committee to assess proposals greater than

£2 million for capital investments, and £5 million for operating cost commitments. Below these levels, responsibilities were discharged through the Executive Committee and the Operating Board. The Committee also gives consideration to:

- substantial debt financing and financial restructuring proposals
- post-investment reviews for approved projects
- investment hurdle rates and methodologies for future investments
- other topics as defined by the Board.

In 2021, the Committee:

- reviewed the structuring of the Charity's financing arrangements, having considered management's future financial projections and associated net financing requirements, ahead of refinancing of the Charity in 2022
- considered strategic investment opportunities, which included the acquisition of the five hospitals from Aspen Healthcare
- reviewed contractual commitments for the supply of critical goods and services to ensure maximum value was delivered for the Charity
- reviewed key strategic transformation programmes in delivery, including Electronic Patient Records, Finance and Procurement transformation and the new hospital build at St Bartholomew's to oversee progress against key milestones and the delivery of expected benefits for the Charity
- evaluated the Charity's proposal on environmental reporting and reviewed the bank mandates and authorised signatories.

Trustees' Remuneration Committee

Chair: Michael Smith

Committee members

George Fergusson
Jane Wesson

Purpose

The Trustees' Remuneration Committee is responsible for making recommendations regarding Trustees' remuneration.

Membership and frequency

Members Michael Smith (Chair), George Fergusson and Jane Wesson were joined by Dame Denise Holt in early 2022. Having met in January 2021, the Committee met again in February 2022.

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.



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 2022 that will further enhance the accessibility of the Charity's activities to people living on lower resources. Our free-to-access flagship Joint Pain and COVID-19 Rehabilitation programmes reached over 4,000 beneficiaries during the year and our ambition is that all 114 fitness and wellbeing centres offer our flagship programmes by the end of 2022.

The benefits of our flagship programmes are measured using a Social Return on Investment (SROI) 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 29).

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 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 2021 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 Consolidated and Charity balance sheets;
- the Consolidated cash flow statement;
- the accounting policies; and
- the related notes 1 to 36.

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 either intend 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. This description forms part of our auditor’s report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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 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 and tax legislation; 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 and Care Quality Commission regulations.

We discussed among the audit engagement team and relevant internal specialists such as pensions, valuations, real estate advisory, 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 below:

- Determination of whether an expenditure is capital in nature: we obtained an understanding of the relevant

controls and key processes; we tested the capitalised expenditure on a sample basis to assess whether they meet 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, in-house and external legal counsel 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 and the correspondance with the Charity commision.

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 Group and parent charitable company and their 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

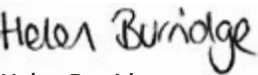
Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.


Helen Burridge
(Senior statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
29 September 2022

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 2021

	Note	2021 £m	2020 £m
Turnover – unrestricted	2	965.5	734.4
Turnover – restricted	2	23.0	45.1
Cost of services	3	(926.9)	(823.6)
Gross surplus/(deficit)		61.6	(44.1)
Support costs	3	(84.0)	(30.0)
Gain on disposal of tangible assets	2	7.1	–
Operating surplus/(deficit) before adjusting items		1.9	(64.6)
Adjusting items	5	(17.2)	(9.5)
Total operating (deficit) before interest and tax	6	(15.3)	(74.1)
Adjusted for:			
Depreciation and amortisation	6	75.6	78.6
Adjusting items	5	17.2	9.5
Adjusted earnings before interest, tax, depreciation and amortisation		77.5	14.0
Net interest payable and similar income/costs	7	(17.5)	(18.3)
(Deficit) before taxation		(32.8)	(92.4)
Tax on (deficit)	12	–	–
(Deficit) after tax for the financial year		(32.8)	(92.4)
(Deficit) attributable to:			
Charity		(32.9)	(92.4)
Non-controlling interest	34	0.1	–

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 127-173 form part of these financial statements.

Consolidated and Charity statement of financial activities

for the year ended 31 December 2021

	Note	Group Total funds*		Charity Total funds*	
		2021 £m	2020 £m	2021 £m	2020 £m
Income and endowments from					
Donations and legacies including government grants – restricted		19.7	44.8	19.5	44.3
Other income – restricted		3.3	0.3	3.3	0.3
Charitable activities	2	931.3	730.1	931.3	730.7
Other trading activities	2	34.2	1.8	–	–
Other non-trading income	2	–	2.5	–	2.5
Investments	2	–	0.4	–	0.4
Gain on disposal of tangible assets	2	7.1	–	7.1	–
Total income and endowments		995.6	779.9	961.2	778.2
Expenditure on charitable activities					
Other expenditure before adjusting items	3	(958.6)	(841.4)	(958.6)	(843.2)
Adjusting items	5	(17.2)	(9.5)	(17.2)	(9.5)
Interest payable	7	(17.5)	(18.7)	(10.2)	(18.6)
Other expenditure					
Other trading activities		(35.1)	(2.7)	–	–
Total expenditure		(1,028.4)	(872.3)	(986.0)	(871.3)
Net expenditure					
Before adjusting items		(15.6)	(82.9)	(7.6)	(83.6)
Adjusting items		(17.2)	(9.5)	(17.2)	(9.5)
Net expenditure		(32.8)	(92.4)	(24.8)	(93.1)
Other movement in funds					
Actuarial gains/(losses) on defined benefit retirement scheme	8	54.1	(22.6)	45.0	(22.6)
Acquisition of non-controlling interest		0.6	–	–	–
Net movement in funds		21.9	(115.0)	20.2	(115.7)
Fund balances at 1 January		(76.5)	38.5	(80.2)	35.5
Fund balances at 31 December		(54.6)	(76.5)	(60.0)	(80.2)
Net movement in funds attributable to non-controlling interest	34	0.1	–	–	–

* Total funds for the Group and Charity include restricted funds of £0.8 million (2020 – £0.8 million) and permanent endowments of £0.1 million (2020 – £0.1 million).

All amounts derive from continuing activities.

The accounting policies and notes on pages 127-173 form part of these financial statements.

Consolidated and Charity balance sheets

for the year ended 31 December 2021

	Note	Group		Charity	
		2021 £m	2020 £m	2021 £m	2020 £m
Fixed assets					
Intangible assets	13	117.1	109.3	111.1	109.5
Tangible assets	14	449.0	455.4	440.3	455.7
Post-retirement defined benefit asset	8	4.5	–	10.6	–
Investments	16	0.2	0.2	41.8	19.5
		570.8	564.9	603.8	584.7
Current assets					
Stocks	17	15.8	10.5	11.7	10.1
Debtors	18	108.0	101.7	95.6	106.5
Cash at bank	31	8.8	7.1	3.4	7.1
		132.6	119.3	110.7	123.7
Creditors: amounts falling due within one year	19	(540.1)	(191.5)	(560.4)	(224.1)
Net current liabilities		(407.5)	(72.2)	(449.7)	(100.4)
Total assets less current liabilities		163.3	492.7	154.1	484.3
Creditors: amounts falling due after more than one year	20	(104.9)	(409.0)	(167.8)	(484.8)
Provisions for liabilities	23	(46.0)	(35.5)	(39.8)	(35.5)
Net assets/(liabilities) excluding post-retirement liabilities		12.4	48.2	(53.5)	(36.0)
Post-retirement defined benefit liabilities	8	(67.0)	(124.7)	(6.5)	(44.2)
Net liabilities		(54.6)	(76.5)	(60.0)	(80.2)
Income funds					
Restricted funds	1	0.8	0.8	0.8	0.8
Unrestricted funds:					
General fund		6.3	47.3	(65.0)	(36.9)
Post retirement reserve		(62.5)	(124.7)	4.1	(44.2)
Total unrestricted funds		(56.2)	(77.4)	(60.9)	(81.1)
Total income funds		(55.4)	(76.6)	(60.1)	(80.3)
Permanent endowment	1,24	0.1	0.1	0.1	0.1
Funds attributable to the Charity		(55.3)	(76.5)	(60.0)	(80.2)
Non-controlling interest	34	0.7	–	–	–
Group Funds	1	(54.6)	(76.5)	(60.0)	(80.2)

The accounting policies and notes on pages 127-173 form part of these financial statements.

Approved and issued by the Board of Trustees on 29 September 2022.



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 2021

	Note	2021 £m	2020 £m
Cash generated from operating activities			
Before adjusting and exceptional items		77.3	35.9
Adjusting items		(4.4)	(3.1)
	27	72.9	32.8
Cash flows from investing activities	28	(71.5)	(50.0)
Cash flows from financing activities	29	0.3	19.9
Net increase in cash and cash equivalents		1.7	2.7
Cash and cash equivalents at 1 January		7.1	4.4
Cash and cash equivalents at 31 December	31	8.8	7.1
Reconciliation of net cash flow to movement in net debt			
Increase in cash and cash equivalents for the financial year		1.7	2.7
Cash inflow from changes in debt	30	(20.0)	(38.0)
Repayment of finance leases	30	2.5	2.6
Movement in net debt in the financial year	30	(15.8)	(32.7)
Net debt at 1 January	30	(403.1)	(370.4)
Net debt at 31 December	30	(418.9)	(403.1)

The accounting policies and notes on pages 127-173 form part of these financial statements.

Accounting policies

for the year ended 31 December 2021

1. 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 and registered in England and Wales. 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 2021.

2. 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.

3. 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 2021 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 December 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 the adequate resources to continue in operational existence for the foreseeable future and as a result they continue to adopt the 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 58-63.

4. 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.

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.

Accounting policies continued

for the year ended 31 December 2021

4. Basis of consolidation continued

Non-controlling interests in subsidiaries are identified separately from the Group's funds therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in funds.

5. 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 adjusting items and consideration of profits on disposal not being included within adjusting items (accounting policy 10), the assessment of asset lives and residual values (accounting policy 16) and the classification of leases as operating or finance leases (accounting policy 27).

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 for hospitals, or value in use for wellbeing sites.

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 short- and long-term growth rates used in the calculation. A key estimate is the speed of recovery of all the wellbeing sites to pre-pandemic levels of EBITDA by 2024, as well as short-term cost inflation. A long-term growth rate of 3% was applied; refer to note 14 for the impairment recognised in the year. Changes to the growth rate could have a significant impact on 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.

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 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 scheme is less than the Group's by £71.1 million (2020 – £80.5 million) and the Charity has a 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 carried out periodically is 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. 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 key estimate is the speed of recovery of all the wellbeing sites to pre-pandemic levels of EBITDA by 2024, as well as short-term cost inflation. A long-term EBITDA growth rate of 3% has been applied. There is also significant judgment in estimating the unavoidable costs which has been forecast to grow at 2% per annum over the life of the lease. Refer to note 23 for the onerous lease provision recognised in the year. Changes to the growth rate could have a significant impact on the onerous lease provision recorded.

6. 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 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.

7. 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:

- income from the 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 those from food and beverages and personal training, are 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.

Furlough grant has been included in donations and legacies; further details are provided on note 2.

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

8. 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.

9. COVID-19 grants and reliefs

The Charity has taken advantage of various forms of government assistance during the current and prior year. 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.

Accounting policies continued

for the year ended 31 December 2021

9. COVID-19 grants and reliefs continued

Government grants

The government Coronavirus Job Retention Scheme (CJRS) was introduced in 2020. The Charity continued to recognise the salary expense and additionally recognise 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.

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 (accounting policy 29) and interest (accounting policy 8), 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 HM Revenue & Customs' (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. Rent concessions received from landlords falling within the COVID-19 concession period are recognised in the Income Statement.

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

10. Adjusting items

During the year the Trustees took the decision to amend the description of exceptional items to adjusting items, reflecting the recurring items which are considered adjusting due to their nature.

Other adjusting items include accounting movements in relation to onerous lease provisions and impairment of assets, which are reflected separately in the financial statements, to provide a meaningful reflection of how the Charity is managed and measured on a day-to-day basis. This achieves consistency and comparability between reporting periods.

Exceptional items included within adjusting items, are significant transactions either individually or in aggregate, of a similar type or event, that have arisen outside the Group's operating activities. These are disclosed separately to improve the understanding of the Group's underlying financial performance. Adjusted results is not a statutory term, and while providing meaningful reflection of the Charity, it may not necessarily be comparable with other organisations. More detailed information is provided in note 5.

11. 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.

12. 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.

13. Foreign currency

Group entities

The Group has no subsidiaries that have a different functional currency from the presentational currency.

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.

14. 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 twenty 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.

15. 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, it is probable that there is an obligation and it 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.

Accounting policies continued

for the year ended 31 December 2021

15. Tangible fixed assets and depreciation continued

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:

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

16. 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 (accounting policy 14) and those for tangible fixed assets in (accounting policy 15).

17. 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.

18. 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.

19. 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 and 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 investment not represented by the subsidiary's underlying assets has been treated as goodwill and will be amortised over their estimated useful lives of between six and twenty years.

On 30 September 2021, investment was made in Aspen Healthcare Limited and its subsidiaries, as disclosed in note 15.

20. Business combinations

The acquisition of subsidiaries and businesses is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of fair values of assets given, liabilities incurred or assumed, and instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised as part of the cost of investment.

Where the consideration for an acquisition includes any asset or liability resulting from a contingent arrangement, this is measured at its discounted fair value on the date of acquisition. Subsequent changes in fair values are adjusted through the Consolidated income statement in interest payable and similar income. Changes in the fair value of contingent consideration classified as equity are not recognised.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as at the date of the acquisition that, if known, would have affected the amounts recognised as at that date. The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as at the acquisition date and is a maximum of one year.

21. Accounting for subsidiaries

A subsidiary is an entity controlled by the Group. Control is achieved where the Group has power over an investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the returns.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated income statement from the effective date control is obtained or up to the date control is relinquished, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

22. Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's funds therein, either at fair value or at the non-controlling interest's share of the net assets of the subsidiary, on a case-by-case basis. The total comprehensive income of a subsidiary is apportioned between the Group and the non-controlling interest, even if it results in a deficit balance for the non-controlling interest. Where the Group's interest in a controlled entity increases, the non-controlling interests' share of net assets, excluding any allocation of goodwill, is transferred to Group funds. Any difference between the cost of the additional interest and the existing carrying value of the non-controlling interests' share of net assets is recorded in the Income statement.

Where the Group's interest in a controlled entity decreases, but the Group retains control, the share of net assets disposed, excluding any allocation of goodwill, is transferred to the non-controlling interests. Any difference between the proceeds of the disposal and the existing carrying value of the net assets or liabilities transferred to the non-controlling interests is recorded in the Consolidated income statement.

23. 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.

Accounting policies continued

for the year ended 31 December 2021

24. 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.

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.

25. Defined benefit pension schemes and other post-retirement benefits

The Group operates two defined benefit pension schemes, both of which require contributions to be made to separately administered funds. Both the Nuffield Health Pension and Life Assurance Scheme and the Aspen Healthcare Limited Staff Pension Fund are closed to new entrants. The costs of providing benefits in the schemes are determined separately for each plan as outlined in note 8.

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. A pension asset is recorded when it is possible that the pension surplus will be refunded in the future.

26. 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.

27. 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.

Where the Group enters into a sale and leaseback transaction, and the sale and leaseback transaction results in a finance lease, the excess of sale proceeds over the carrying amounts is deferred and amortised over the lease term. If the sale and leaseback transaction results in an operating lease, the excess of sale proceeds over the carrying amount is recognised in the Income statement.

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.

28. 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 (2020 – £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 (2020 – £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 the Charity, there is a high level of irrecoverable VAT within the organisation. Any irrecoverable VAT is charged to the 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.

29. 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's Statement of financial activities.

Notes to the financial statements

for the year ended 31 December 2021

1. Fund analysis

Group	2021				2020			
	Permanent £m	Restricted £m	Unrestricted £m	Total £m	Permanent £m	Restricted £m	Unrestricted £m	Total £m
Total Income								
Donations and legacies including government grants	–	19.7	–	19.7	–	44.8	–	44.8
Other sources of income	–	3.3	972.6	975.9	–	0.3	734.8	735.1
Total incoming resources	–	23.0	972.6	995.6	–	45.1	734.8	779.9
Total expenditure	–	–	(1,028.4)	(1,028.4)	–	–	(872.3)	(872.3)
Net expenditure	–	23.0	(55.8)	(32.8)	–	45.1	(137.5)	(92.4)
Other movement in funds	–	–	54.7	54.7	–	–	(22.6)	(22.6)
Transfer between funds	–	(23.0)	23.0	–	–	(45.1)	45.1	–
Net movement in funds	–	–	21.9	21.9	–	–	(115.0)	(115.0)
Fund balance at 1 January	0.1	0.8	(77.4)	(76.5)	0.1	0.8	37.6	38.5
Fund balance at 31 December	0.1	0.8	(55.5)	(54.6)	0.1	0.8	(77.4)	(76.5)

Charity	2021				2020			
	Permanent £m	Restricted £m	Unrestricted £m	Total £m	Permanent £m	Restricted £m	Unrestricted £m	Total £m
Total Income								
Donations and legacies including government grants	–	19.5	–	19.5	–	44.3	–	44.3
Other sources of income	–	3.3	938.4	941.7	–	0.3	733.6	733.9
Total incoming resources	–	22.8	938.4	961.2	–	44.6	733.6	778.2
Total expenditure	–	–	(986.0)	(986.0)	–	–	(871.3)	(871.3)
Net expenditure	–	22.8	(47.6)	(24.8)	–	44.6	(137.7)	(93.1)
Other movement in funds	–	–	45.0	45.0	–	–	(22.6)	(22.6)
Transfer between funds	–	(22.8)	22.8	–	–	(44.6)	44.6	–
Net movement in funds	–	–	20.2	20.2	–	–	(115.7)	(115.7)
Fund balance at 1 January	0.1	0.8	(81.1)	(80.2)	0.1	0.8	34.6	35.5
Fund balance at 31 December	0.1	0.8	(60.9)	(60.0)	0.1	0.8	(81.1)	(80.2)

The Retail, Hospitality and Leisure Grant Fund (RHLGF) claimed from local authorities following the closure of fitness and wellbeing sites in England of £1.7 million (2020 – £0.3 million) and the Local Authority Restart Grant of £1.6 million (2020 – £Nil) are included within donations and legacies. The furlough grant income received is classed as restricted and fully utilised within the year.

2. Turnover and income analysis

Group	2021 £m	2020 £m
Hospital services	715.7	557.2
Wellbeing services	215.6	172.9
Net income from charitable activities	931.3	730.1
Donations - restricted	0.3	–
Furlough grant income – restricted	19.4	44.8
Other grant income – restricted	3.3	0.3
Other non-trading income	–	2.5
Other trading Income	34.2	1.8
Turnover	988.5	779.5
Income from investments	–	0.4
Gain on disposal of tangible assets	7.1	–
Total income	995.6	779.9

Charity	2021 £m	2020 £m
Hospital services	715.7	557.2
Wellbeing services	215.6	173.5
Net income from charitable activities	931.3	730.7
Donations - restricted	0.3	–
Furlough grant income – restricted	19.2	44.3
Other grant income – restricted	3.3	0.3
Other non-trading income	–	2.5
Turnover	954.1	777.8
Income from investments	–	0.4
Gain on disposal of tangible assets	7.1	–
Total income	961.2	778.2

The Retail, Hospitality and Leisure Grant Fund (RHLGF) and the Local Authority Restart Grants were recognised in grant income.

Other trading income includes the trading of Aspen, which is classified as non-charitable at the year end.

Gain on disposal of tangible assets includes the profit on disposal of Woking freehold assets amounting to £6.4 million. Refer to note 6 for further information.

Notes to the financial statements continued

for the year ended 31 December 2021

3. Expenditure on charitable activities

Group and Charity	Note	Direct activities		Support costs		Total	
		2021 £m	2020 (Represented) £m	2021 £m	2020 (Represented) £m	2021 £m	2020 (Represented) £m
Continuing activities							
Normal							
Staff and related costs		307.2	277.1	60.6	49.1	367.8	326.2
Furlough grant staff costs		17.2	40.8	1.9	3.5	19.1	44.3
Partnership fees		161.4	102.3	–	–	161.4	102.3
Consumable and supply costs		113.3	87.7	–	–	113.3	87.7
Depreciation and amortisation		53.8	60.4	21.0	18.2	74.8	78.6
Other costs		164.7	154.1	57.5	48.1	222.2	202.2
		817.6	722.4	141.0	118.9	958.6	841.3
Support costs allocated to direct activities		63.2	90.3	(63.2)	(90.3)	–	0.0
Expenditure on charitable activities before adjusting items		880.8	812.7	77.8	28.6	958.6	841.3
Adjusting items							
Reorganisation and transformation costs	5	(0.4)	1.4	6.2	1.3	5.8	2.7
Impairment of fixed assets	5	3.3	(7.4)	–	–	3.3	(7.4)
Onerous lease provision	5	8.1	14.1	–	–	8.1	14.1
Aborted project spend	5	–	0.4	–	–	–	0.4
Other costs exceptional	5	–	(0.5)	–	–	–	(0.5)
Pension costs	5	–	–	–	0.2	–	0.2
Total adjusting items		11.0	8.0	6.2	1.5	17.2	9.5
Expenditure on charitable activities		891.8	820.7	84.0	30.1	975.8	850.8

In 2021 the Charity completed the transformation project which included the implementation of Workday Financials, a new enterprise resource planning system. This transformation led to a review of the accounts structure resulting in a reclassification of certain cost lines within the Income statement. The note above now presents this new structure and the 2020 cost lines for Partnership fees, Consumable and supply costs and Other costs have been reclassified to reflect a like for like comparison to 2021. The transformation also resulted in the centralisation of certain support operations and the staff and related costs are now reflected in support costs. There is no impact on total expenditure on charitable activities.

Group and Charity	2021 £m	2020 £m
Hospital services	672.4	513.4
Wellbeing services	303.4	337.4
	975.8	850.8

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 2021 revenue derived from each of these segments.

The restricted staff and related costs include a £19.1 million (2020 – £44.3 million) costs incurred by the Charity 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 £3.5 million (2020 – £8.5 million).

4. Governance costs

Group and Charity	2021 £m	2020 £m
Staff and related costs	16.0	2.0
Other costs	1.7	1.2
	17.7	3.2

Notes to the financial statements continued

for the year ended 31 December 2021

5. Adjusting items

Adjusting items reflect transactions that fall outside the routine operations of the Group, but owing to their nature will often recur. These are reflected separately in the financial statements, to provide a meaningful reflection of how the Charity is managed and measured on a day-to-day basis. This achieves consistency and comparability between reporting periods. Exceptional items possess a higher degree of abnormality and arise from events that fall outside the ordinary activities of the Group; such items are not expected to recur.

The total adjusting items charge of £11.4 million (2020 – £6.7 million) and exceptional items charge of £5.8 million (2020 – £2.8 million) are analysed and categorised in the Income statement as follows:

Group and Charity	2021 £m	2020 £m
Other adjusting items		
Impairment of tangible assets	3.3	(7.4)
Onerous lease provision	8.1	14.1
	11.4	6.7
Exceptional items		
Reorganisation and transformation costs	5.8	2.7
Aborted project spend	–	0.4
Pension costs	–	0.2
Other	–	(0.5)
	5.8	2.8
Total adjusting items	17.2	9.5

Impairment of tangible assets

At the year end, impairment charges of £3.3 million (2020 – net reversal of prior period impairment charges of £7.4 million) were recorded in fitness and wellbeing sites to decrease the carrying value of the assets. £2.0 million of the impairment relates to sites where an onerous lease provision exists (2020 – £7.4 million of the reversal of prior period impairment charges).

Onerous lease provision

Following the onerous lease assessment at the year end, an £8.1 million adjustment was made to the onerous lease provision, resulting in a charge to adjusting items (2020 – £14.1 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 until the end of Q1 following the COVID-19 pandemic and lockdown introduced by the government, and concluded in November 2021.

Changes arising from the improved systems resulted in the redeployment or redundancy of certain teams across the organisation, the cost of which amounted to £0.8 million (2020 – £1.4 million charge). Additional non-staff expenditure in relation to the reorganisation and transformation programme was £5.0 million (2020 – £1.3 million) and consisted primarily of professional fees.

Other

The prior year includes £0.5 million of provision released relating to a liability with key supply contracts in 2018, which was no longer required.

6. Operating deficit

This is stated after charging or crediting the following:

	Note	2021 £m	2020 £m
Amounts payable to auditor:			
Audit fees payable		0.7	0.5
Fees payable for other services		0.1	0.1
Depreciation on tangible fixed assets:			
On owned assets		51.1	50.4
On assets held under finance leases and hire purchase contracts		3.3	1.9
Impairment of tangible assets	5	3.3	(7.4)
(Gain) on disposal of tangible assets	14	(7.1)	(1.5)
Amortisation of intangible assets	13	21.2	25.5
Hire of plant and machinery (including operating lease charges)		9.7	9.4
Property operating lease rentals		56.2	57.4
Rental income from operating leases		(1.2)	(0.6)
Third party indemnity insurance		1.3	1.2
Adjusting item – onerous lease provision	5	8.1	14.1
		146.7	151.0

Fees payable by the Charity for the audit of the annual accounts of the Charity amounted to £426,620 (2020 – £396,000) and its subsidiaries amounted to £237,450 (2020 – £61,140). Fees payable for other services amounted to £96,300 (2020 – £84,960) 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 £118,670 (2020 – £109,109).

During the year, the Group disposed of the freehold asset of Woking Hospital for proceeds of £10.0 million in a sale and leaseback transaction. This transaction resulted in a gain on disposal of assets of £6.4 million which is included in operating deficit and adjusted EBITDA.

A reconciliation from operating deficit to adjusted EBITDA is as follows:

	Note	2021 £m	2020 £m
Total operating deficit before interest and tax		(15.3)	(74.1)
Add back: Depreciation and amortisation (excl. exceptional depreciation)		75.6	78.6
Adjusting items and exceptional costs	5	17.2	9.5
Adjusted earnings before interest, tax, depreciation and amortisation		77.5	14.0

Notes to the financial statements continued

for the year ended 31 December 2021

7. Net interest payable and similar income

	Group		Charity	
	2021 £m	2020 £m	2021 £m	2020 £m
Interest receivable	–	0.4	–	0.1
Interest payable				
Bank loans and overdraft	(8.3)	(7.9)	(8.4)	(7.9)
Senior secured loan notes	(6.1)	(5.7)	(6.1)	(5.7)
Finance charges in respect of finance leases	(0.1)	(0.2)	(0.1)	(0.2)
Finance charges in respect of pension liability for asset backed funding	–	–	(0.9)	(0.2)
Other interest payable	(0.2)	(0.7)	(0.5)	(0.5)
Costs in connection with loan facilities	(1.7)	(2.1)	(1.7)	(2.1)
	(16.4)	(16.6)	(17.7)	(16.6)
Retirement benefit finance costs	(1.7)	(2.1)	(1.7)	(2.1)
Total interest payable	(18.1)	(18.7)	(19.4)	(18.7)
Fair value movement	0.6	–	9.2	0.1
Interest payable and movement in fair values	(17.5)	(18.7)	(10.2)	(18.6)
Net interest payable and similar income	(17.5)	(18.3)	(10.2)	(18.5)

8. Defined benefit pensions and other post-retirement benefits

The Group operates two separately administered defined pension schemes: the Nuffield Health Pension and Life Assurance Scheme and the Aspen Healthcare Limited Staff Pension Fund. In addition, the Group operates one unfunded defined benefit pension scheme in respect of two members, which has no assets.

Nuffield Health Pension and Life Assurance Scheme

Nuffield Health's funded defined benefit pension scheme is closed to future contributions. 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 arrangements. 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 2021. This valuation was carried out by the Scheme Actuary, Adam Stanley of XPS Pensions Limited. The assumptions made by the actuary are set out in the Scheme's statement of funding principles dated 27 June 2022, which were agreed by the Trustee of the Scheme as part of the 31 March 2021 valuation.

As at 31 March 2021, the present value of the Scheme's assets was sufficient to cover 98% 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 £6.5 million (2020 – £2.2 million).

The employer and the Trustee of the Scheme entered into an asset backed funding arrangement ("ABF") 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. It was agreed that the employer's contribution to the Scheme in relation to the ABF from 1 April 2016 for the next six years would be £2.0 million per year and £4.0 million per year thereafter. These contributions were allowed for in the recovery plan agreed by the Trustee and Nuffield Health as part of the 2021 actuarial valuation – this plan aims to remove the deficit by 31 March 2028. Under the current recovery plan dated 27 June 2022, Nuffield Health will pay contributions to the Scheme (including from the ABF) of £8.0 million per year from 1 April 2022 to 31 March 2025, and £9.6 million per year from 1 April 2025 to 31 March 2028. During the COVID-19 pandemic it was agreed with the Trustee to defer £0.5 million employer contribution and £0.1 million administration costs, of which £0.5 million remains outstanding at the year end. This was repaid in 2022.

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 pension asset has been recorded in the current year as the directors are of the view that, as the scheme's liabilities are settled gradually over time, there would come a time where there would be no members or beneficiaries remaining. In such a scenario, the surplus would be refunded.

The main assumptions are as follows:

	2021 % p.a.	2020 % p.a.
Rate of increase in medical inflation	4.8	4.4
Rate of increase for pension in payment pre 1 August 2005 service	3.6	3.3
Rate of increase for pensions in payment post 31 July 2005 service	2.2	2.1
Rate of increase for deferred pensions	2.8	2.3
Discount rate (yield curve basis)	1.8	1.4
Inflation rate (CPI)	2.8	2.3

The post-retirement mortality assumptions used to value the benefit obligation mortality tables are based on S2PA at 31 December 2021 and 31 December 2020. Assumed life expectancies on retirement at age 65 are as follows:

		2021 Years	2020 Years
Retiring today	Males	22.1	22.0
	Females	24.2	23.9
Retiring in 20 years' time	Males	23.7	23.7
	Females	25.7	25.4

Notes to the financial statements continued

for the year ended 31 December 2021

8. Defined benefit pensions and other post retirement benefits continued

The returns on the plan assets are as follows:

	2021 % p.a.	2020 % p.a.
Growth assets	11.5	5.0
Matching assets including hedge liability	(0.6)	26.1

The amounts charged to the Consolidated income statement and Group statement of financial activities were as follows:

	Note	Defined benefit pension funds		Retirement healthcare		Total	
		2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m
Operating surplus							
Administrative costs		0.9	1.0	–	–	0.9	1.0
Adjusting items	5	–	0.2	–	–	–	0.2
Net interest (receivable)/payable							
Interest on schemes' assets		(5.8)	(7.8)	–	–	(5.8)	(7.8)
Interest on schemes' liabilities		7.5	9.7	–	0.1	7.5	9.8
Total charged to finance expenses		1.7	1.9	–	0.1	1.7	2.0
Total charged to net income		2.6	3.1	–	0.1	2.6	3.2

The total actuarial gains on defined benefit retirement schemes and retirement healthcare are as follows:

	2021 £m	2020 £m
Actual return on schemes' assets	34.3	49.7
Less interest on schemes' assets	(5.8)	(7.8)
	28.5	41.9
On obligations – interest costs	25.0	(64.5)
Net actuarial gain/(loss) on defined benefit retirement schemes	53.5	(22.6)

The amounts recognised in the Group Balance sheet are as follows:

	Defined benefit pension funds		Retirement healthcare		Total	
	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m
Growth assets	314.3	297.8	–	–	314.3	297.8
Matching assets including liability hedge	122.8	122.8	–	–	122.8	122.8
Other assets	9.8	1.9	–	–	9.8	1.9
	446.9	422.5	–	–	446.9	422.5
Present value of funded obligations	(507.4)	(540.8)	–	–	(507.4)	(540.8)
	(60.5)	(118.3)	–	–	(60.5)	(118.3)
Present value of unfunded obligations	(3.0)	(2.9)	(3.5)	(3.5)	(6.5)	(6.4)
Net liabilities	(63.5)	(121.2)	(3.5)	(3.5)	(67.0)	(124.7)

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension funds		Retirement healthcare		Total	
	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m
Opening defined benefit obligations	(543.6)	(484.4)	(3.5)	(3.6)	(547.1)	(488.0)
Benefits paid	15.5	15.3	0.2	0.2	15.7	15.5
Interest cost	(7.5)	(9.8)	–	(0.1)	(7.5)	(9.9)
Actuarial gains/(losses)	25.2	(64.5)	(0.2)	–	25.0	(64.5)
Past service costs	–	(0.2)	–	–	–	(0.2)
Closing defined benefit obligations	(510.4)	(543.6)	(3.5)	(3.5)	(513.9)	(547.1)

The cumulative actuarial losses recognised in the Statement of financial activities at 31 December 2021 were £106.8 million (2020 – £160.3 million).

Notes to the financial statements continued

for the year ended 31 December 2021

8. Defined benefit pensions and other post retirement benefits continued

Changes in the fair value of the post-retirement funds' assets are as follows:

	Defined benefit pension funds		Retirement healthcare		Total	
	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m
Opening fair value of plan assets	422.4	386.6	–	–	422.4	386.6
Interest income	5.9	7.8	–	–	5.9	7.8
Actuarial gains	28.4	42.0	–	–	28.4	42.0
Contributions paid	6.6	2.3	0.2	0.2	6.8	2.5
Scheme administrative costs	(0.9)	(1.0)	–	–	(0.9)	(1.0)
Benefits paid	(15.5)	(15.3)	(0.2)	(0.2)	(15.7)	(15.5)
Closing fair value of plan assets	446.9	422.4	–	–	446.9	422.4

The Charity and 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 £71.1 million (2020 – £80.5 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 2021, the Charity's net post-retirement defined benefit asset is £4.1 million (2020 – liability of £44.2 million) and the liability for asset backed funding due within one year is £8.2 million (2020 – £4.7 million) and due after one year is £62.9 million (2020 – £75.8 million).

Apsen Healthcare Limited Staff Pension Fund

Aspen operates a defined benefit pension scheme and a separate defined contribution pension scheme. The defined benefit scheme had been closed to new entrants since 1 January 1999. On 5 February 2015, the pension scheme was transferred to the company from its former subsidiary, Aurora Propco 1 Limited, as part of a group restructure. With effect from 1 January 2000 Aurora Propco 1 Limited introduced a separate defined contribution scheme; new employees to service are eligible to join this scheme. As a result of the closure of the scheme, under the projected unit credit method the current service cost will increase as the members of the scheme approach retirement. The defined benefit scheme ceased future accruals effective 31 March 2004, when a defined contribution section was introduced for existing members. The defined benefit scheme was set up under trust, and the assets of this scheme are held separately from those of the company in an independently administered fund. Contributions to the scheme are charged to the profit and loss accounts so are determined in accordance with the advice of an independent qualified actuary on the basis of triennial valuations. Based on the current status of the pension fund, there are no future contributions expected.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2021 by Duncan Ross, Fellow of the Institute and Faculty of Actuaries, on behalf of Hughes Price Walker Limited. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

The most significant assumptions for their effect on the pension costs are those relating to the rate of investment return of the scheme and pension increases, along with demographic factors, such as rates of retirement and death. The investment returns ranged from 2.5%-2.8% in deferment, based on period of accrual, and were 2.4% for pensions in payment, based on period of accrual.

Statutory increases to pensions in deferment and in payment from January 2014 are determined using CPI. Based on a review of past experiences CPI has been assumed to be 0.8% less than the rate assumed for RPI, i.e. 3.6% per annum.

As the scheme is closed to new entrants and future accruals, there is no current service except ongoing expenses. The assets of the scheme have been taken at market value and the liabilities have been calculated using the following principal actuarial assumptions.

The pension asset has been recorded in the current year as the directors believe that as the scheme's liabilities are settled gradually over time, there would come a time where there would be no members or beneficiaries remaining. In such a scenario, the surplus would be refunded.

The main assumptions are as follows:

	2021 % p.a.
Rate of increase for pension in payment pre 1 August 2005 service	2.1
Rate of increase for pensions in payment post 31 July 2005 service	2.1
Rate of increase for deferred pensions	2.9
Discount rate (yield curve basis)	1.8
Inflation rate (CPI)	2.9

The post-retirement mortality assumptions used to value the benefit obligation mortality tables are based on S2PA at 31 December 2021 and 31 December 2020. Assumed life expectancies on retirement at age 65 are as follows:

		2021 Years
Retiring today	Males	21.4
	Females	23.8
Retiring in 20 years' time	Males	22.4
	Females	25.0

The returns on the plan assets are:

	2021 % p.a.
Growth assets	4.1

Notes to the financial statements continued

for the year ended 31 December 2021

8. Defined benefit pensions and other post retirement benefits continued

The amounts charged to the Consolidated income statement and Group statement of financial activities for Aspen were as follows:

	Defined benefit pension funds
	2021 £m
Net interest (receivable)/payable	
Interest on schemes' assets	(0.1)
Interest on schemes' liabilities	0.1
Total charged to finance expenses	–
Total charged to net income	–

The total Aspen actuarial gains on defined benefit retirement schemes and retirement healthcare are as follows:

	2021 £m
Actual return on schemes' assets	0.8
Less interest on schemes' assets	(0.1)
	0.7
On obligations – interest costs	(0.1)
Net actuarial gain on defined benefit retirement schemes	0.6

The amounts recognised in the Group Balance sheet for Aspen are as follows:

	Defined benefit pension funds
	2021 £m
Growth assets	18.3
Present value of funded obligations	(13.8)
Net assets	4.5

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension funds
	2021 £m
Defined benefit obligations at acquisition	(13.7)
Benefits paid	0.1
Interest cost	(0.1)
Actuarial (losses)	(0.1)
Closing defined benefit obligations	(13.8)

Notes to the financial statements continued

for the year ended 31 December 2021

8. Defined benefit pensions and other post retirement benefits continued

Changes in the fair value of the post-retirement funds' assets are as follows:

	Defined benefit pension funds
	2021 £m
Fair value of plan assets at acquisition	17.6
Interest income	0.1
Actuarial gains	0.7
Benefits paid	(0.1)
Closing/carried forward fair value of plan assets	18.3

9. Defined contribution pension schemes

	2021 £m	2020 £m
The amounts charged to the income and expenditure account and statement of financial activities	8.5	10.0
Contributions owing to the pension schemes at 31 December	2.2	2.0

The number of employees in defined contribution pension schemes at year end was 9,550 (2020 – 10,282).

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.

	2021 £	2020 £
Emoluments paid to the Trustees:		
Mr R S M Hardy (resigned 30 June 2020)	–	40,000
Mr M W Bryant	47,000	47,000
Mr P Figgis	41,000	33,000
Mr D W Lister	39,000	39,000
Ms N Macdonald	55,000	46,000
Mr S Maslin	39,000	39,000
Mr N Sachdev	35,000	35,000
Dame L Homer	38,000	38,000
Lord V O Adebawale	30,000	30,000
Dr J Bajwa (appointed 29 September 2021)	8,000	–
Mr M Stansfeld (appointed 1 October 2021)	8,000	–
	340,000	347,000

The total value of money purchase pension contributions by the Charity is £9,542 (2020 – £10,908). Travel and subsistence paid on behalf of or reimbursed to all the Trustees was £6,828 (2020 – £5,602) in the year.

11. Group employees

	Number	2021 FTE	Number	2020 FTE
Average number of employees:				
Hospital	8,087	5,240	7,071	4,520
Wellbeing	6,470	3,523	7,548	4,076
Support	1,843	1,552	1,133	1,019
Total	16,400	10,315	15,752	9,615

The employees are classified into the categories where the related costs are finally charged. The Charity continued to utilise the government Coronavirus Job Retention Scheme (CJRS) introduced in 2020 until April 2021. The salary expense in relation to the CJRS was recognised in expenses (note 3) and the grant income (note 2) in relation to the CJRS was recognised in restricted income in the Income statement, in the period which it becomes receivable. The CJRS reimbursed 80% of the employee charges, and the Charity continued to incur an employee expense to reflect a 20% top up of salary costs of any furloughed employees, amounting to £3.5 million (2020 – £8.5 million).

Notes to the financial statements continued

for the year ended 31 December 2021

11. Group employees continued

	Note	2021 £m	2020 £m
Staff costs during the year:			
Wages and salaries		336.7	324.6
Social security costs		27.0	26.3
Defined benefit scheme administrative costs	8	0.9	1.0
Defined contribution	9	8.5	10.0
Total employee costs		373.1	361.9
Agency costs		27.1	10.4
Total staff related costs		400.2	372.3

Termination benefits

	Charged to Consolidated statement of financial activities		Accrued at year end	
	2021 £m	2020 £m	2021 £m	2020 £m
Staff costs during the year:				
Individual redundancy and terminations	2.5	0.7	0.3	–
Associated with exceptional reorganisations	0.8	2.7	–	1.4
	3.3	3.4	0.3	1.4

The emoluments of the higher paid employees fell within the ranges indicated below. These emoluments include any bonuses payable, redundancy payments (note 5) and settlement agreement payments but exclude pension contributions.

	2021 £m	2020 £m
£60,000 to £69,999	150	122
£70,000 to £79,999	111	77
£80,000 to £89,999	63	44
£90,000 to £99,999	31	22
£100,000 to £109,999	19	23
£110,000 to £119,999	16	12
£120,000 to £129,999	18	15
£130,000 to £139,999	16	4
£140,000 to £149,999	10	6
£150,000 to £159,999	11	6
£160,000 to £169,999	5	3
£170,000 to £179,999	7	1
£180,000 to £189,999	3	1
£190,000 to £199,999	2	–
£200,000 to £209,999	4	–
£210,000 to £219,999	3	1
£220,000 to £229,999	2	–
£230,000 to £239,999	2	–
£250,000 to £259,999	3	1
£260,000 to £269,999	1	1
£270,000 to £279,999	1	1
£280,000 to £289,999	–	1
£300,000 to £309,999	1	–
£310,000 to £319,999	1	–
£330,000 to £339,999	1	–
£360,000 to £369,999	–	1
£390,000 to £399,999	1	–
£520,000 to £529,999	–	1
£540,000 to £549,999	1	–
£550,000 to £559,999	2	–
£560,000 to £569,999	1	–
£570,000 to £579,999	1	–
£1,220,000 to £1,229,999	1	–

Notes to the financial statements continued

for the year ended 31 December 2021

11. Group employees continued

The total emoluments and employee benefits for the Executive Managers, who are the key management personnel, in the year was £5.0 million (2020 – £2.3 million). The highest paid individual in 2021 (excluding termination pay) was the Chief Executive Officer, Steve Gray (2020 – Steve Gray).

	2021 £m	2020 £m
Employer contributions towards defined contribution pension schemes for higher paid employees	3.0	2.9
	2021 number	2020 number
Number of higher paid employees to whom retirement benefits are accruing under the defined contribution pension scheme	404	432

12. Tax on deficit

	Group		Charity	
	2021 £m	2020 £m	2021 £m	2020 £m
Current tax				
United Kingdom corporation tax at 19% (2020 – 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 companies 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 2021 (2020 – £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
Cost								
At 1 January 2021	116.2	24.3	157.0	297.5	117.4	24.3	157.1	298.8
Additions	–	10.5	12.1	22.6	–	10.5	12.0	22.5
Acquisition (note 15)	6.2	–	0.3	6.5	–	–	–	–
Transfers	–	(25.3)	25.2	(0.1)	–	(25.3)	25.2	(0.1)
At 31 December 2021	122.4	9.5	194.6	326.5	117.4	9.5	194.3	321.2
Amortisation								
At 1 January 2021	(78.8)	–	(109.4)	(188.2)	(79.9)	–	(109.4)	(189.3)
Charge for the year	(6.9)	–	(14.3)	(21.2)	(6.7)	–	(14.1)	(20.8)
At 31 December 2021	(85.7)	–	(123.7)	(209.4)	(86.6)	–	(123.5)	(210.1)
Net book value at 31 December 2021	36.8	9.5	70.8	117.1	30.8	9.5	70.8	111.1
Net book value at 31 December 2020	37.4	24.3	47.6	109.3	37.5	24.3	47.7	109.5

Goodwill is the difference between the cost of purchase and the fair value of the assets and liabilities attributed to the purchase. Following the acquisition of Aspen in 2021 the Group recognised goodwill of £6.2 million (note 15).

Additions during the year included capitalised internal project development costs of £3.8 million (2020 – £3.2 million). The internal project development costs capitalised to date are £34.4 million (2020 – £30.6 million).

Notes to the financial statements continued

for the year ended 31 December 2021

14. Tangible fixed assets

	Group					
	Assets in course of construction	Freeholds	Long lease	Short lease	Equipment	Total £m
Cost						
At 1 January 2021	48.5	268.2	61.0	87.5	641.5	1,106.7
Additions at cost	31.7	0.2	0.6	–	12.7	45.2
Acquisition (note 15)	–	–	2.9	–	5.4	8.3
Transfers	(8.7)	0.2	–	0.2	8.4	0.1
Disposals	–	(7.9)	(5.3)	(5.1)	(5.9)	(24.2)
At 31 December 2021	71.5	260.7	59.2	82.6	662.1	1,136.1
Depreciation and impairment						
At 1 January 2021	–	(114.6)	(12.1)	(45.6)	(479.0)	(651.3)
Charge for the year	–	(5.4)	(3.3)	(7.8)	(37.9)	(54.4)
Disposals	–	5.2	5.3	5.5	5.9	21.9
Impairment	–	–	(3.3)	–	–	(3.3)
At 31 December 2021	–	(114.8)	(13.4)	(47.9)	(511.0)	(687.1)
Net book value at 31 December 2021	71.5	145.9	45.8	34.7	151.1	449.0
Net book value at 31 December 2020	48.5	153.6	48.9	41.9	162.5	455.4

The amount on which depreciation on freehold buildings is being calculated is £229.7 million (2020 – £237.3 million). The net book value of equipment and motor vehicles held under finance leases and similar hire purchase contracts is £1.6 million (2020 – £6.4 million).

	Charity					
	Assets in course of construction	Freeholds	Long lease	Short lease	Equipment	Total £m
Cost						
At 1 January 2021	48.5	260.6	61.0	93.8	641.1	1,105.0
Additions at cost	31.7	0.2	–	–	12.1	44.0
Transfers	(8.7)	0.2	–	0.2	8.4	0.1
Disposals	–	(7.9)	(5.3)	(5.1)	(5.9)	(24.2)
At 31 December 2021	71.5	253.1	55.7	88.9	655.7	1,124.9
Depreciation and impairment						
At 1 January 2021	–	(111.0)	(12.2)	(47.3)	(478.8)	(649.3)
Charge for the year	–	(5.4)	(3.1)	(7.8)	(37.5)	(53.8)
Disposals	–	5.1	5.3	5.5	5.9	21.8
Impairment	–	–	(3.3)	–	–	(3.3)
At 31 December 2021	–	(111.3)	(13.3)	(49.6)	(510.4)	(684.6)
Net book value at 31 December 2021	71.5	141.8	42.4	39.3	145.3	440.3
Net book value at 31 December 2020	48.5	149.6	48.8	46.5	162.3	455.7

Group and Charity

Additions during the year included capitalised internal project development costs of £0.2 million (2020 – £0.1 million). The interest charges and internal project development costs capitalised to date are £10.7 million (2020 – £10.5 million) and £8.9 million (2020 – £8.8 million) respectively.

Nuffield Health undertook an impairment review of its assets at the year end. This resulted in net impairment charge of £3.3 million (2020 – net reversal of £7.4 million) on fitness and wellbeing sites and a £Nil impairment in relation to hospital sites (2020 – £Nil).

During the year, the Group disposed of the freehold asset of Woking Hospital for proceeds of £10.0 million in a sale and leaseback transaction. This transaction resulted in a gain on disposal of assets of £6.4 million which is included in operating surplus (note 6).

Notes to the financial statements continued

for the year ended 31 December 2021

15. Acquisitions

On 30 September 2021, the Charity acquired the ordinary share capital of Aspen Healthcare Limited and its subsidiaries for total consideration of £22.3 million. The book value of net assets acquired amounted to £23.4 million, with a subsequent fair value adjustment of -£7.3 million to arrive at a fair value of net assets acquired of £16.1 million which resulted in recognition of goodwill of £6.2 million, in accordance with FRS 102 section 19, Business Combinations and Goodwill. Aspen contributed £32.4 million to the Group's revenue, £1.1 million to adjusted EBITDA and £0.2 million positive operating surplus between the date of acquisition and 31 December 2021.

If the acquisition had been completed on the first day of the financial year, Aspen would have contributed £120.3 million to the Group's revenue, £3.3 million to adjusted EBITDA and increased the Group's net deficit by £0.4 million.

	Aspen £m	Total £m
Provisional fair value of net assets acquired		
Goodwill	6.2	6.2
Intangible assets	0.3	0.3
Tangible assets	8.3	8.3
Defined benefit pension scheme assets and obligations	3.9	3.9
Inventories	3.5	3.5
Trade and other receivables	16.3	16.3
Cash and cash equivalents	1.9	1.9
Trade and other payables	(12.4)	(12.4)
Onerous lease provision	(5.1)	(5.1)
Non-controlling interest	(0.6)	(0.6)
Group's share of net assets acquired	22.3	22.3

	Aspen £m	Total £m
Cost of acquisition		
Cash paid in current year	10.5	10.5
Working sale and leaseback	10.0	10.0
Fees and payments in relation to the acquisition	1.8	1.8
Total consideration at fair value	22.3	22.3

Consideration of the acquisition of Aspen included the transfer of the Woking Hospital freehold asset, in a sale and leaseback transaction. The value ascribed to the freehold transferred to the vendor, which the Trustees believe represent market value, was £10.0 million, resulting in a profit on disposal of £6.4 million. See note 6 for further details. Goodwill arising on these acquisitions is principally attributable to the anticipated profitability relating to the distribution of the Group's services in new and existing markets and anticipated operating synergies from the business combinations. There are no material intangible assets recognised as part of the acquisition. Goodwill is amortised over 10 years.

Details on the entities acquired as part of the transaction are disclosed in note 16, Investments.

16. Investments

Group	UK listed investment £m	Unlisted investment £m	Total £m
Market value			
At 1 January and 31 December 2021	0.1	0.1	0.2

Charity	Note	Subsidiary undertaking £m	UK listed investment £m	Unlisted investment £m	Total £m
Cost or market value					
At 1 January 2021		39.7	0.1	0.1	39.9
Acquisitions	15	22.3	–	–	22.3
At 31 December 2021		62.0	0.1	0.1	62.2
Provision for impairment					
At 1 January 2021		(20.4)	–	–	(20.4)
At 31 December 2021		(20.4)	–	–	(20.4)
Net book value at 31 December 2021		41.6	0.1	0.1	41.8
Net book value at 31 December 2020		19.3	0.1	0.1	19.5

The Group's investments are held primarily to provide an investment return for the Charity.

The shares of a UK listed investment are valued at their market value at the Balance sheet date. The unlisted investments are valued at the lower of cost or management's estimate of market value.

Notes to the financial statements continued

for the year ended 31 December 2021

16. Investments continued

Subsidiary undertakings

The subsidiary undertakings at 31 December 2021 are shown below:

Group	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

Group	Class of share capital held	Portion held by parent company	Portion held by the other Group companies	Nature of business
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
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

Notes to the financial statements continued

for the year ended 31 December 2021

16. Investments continued

Group	Class of share capital held	Portion held by parent company	Portion held by the other Group companies	Nature of business
Vardon Ltd	Ordinary	22%	78%	Dormant
Wandsworth Leisure Ltd	Ordinary		100%	Dormant
Acquired on 30 September 2021				
Aspen Healthcare Limited	Ordinary	100%		Provision of medical services
Aspen Leasing Ltd	Ordinary		100%	Leasing of equipment and property
Cancer Centre London LLP	Ordinary		63%	Provision of medical services
Highgate Hospital LLP	Ordinary		100%	Provision of medical services
Hillside Holdings Ltd	Ordinary		100%	Dormant
Hillside Hospital Ltd	Ordinary		100%	Dormant
Holly House Hospital Ltd	Ordinary		100%	Dormant
Holly House Hospital Oncology LLP	Ordinary	50%	50%	Dormant
Parkside Hospital Ltd (Dormant)	Ordinary		100%	Dormant
Parkside IHL Scanning Services LLP	Ordinary		52%	Provision of medical services
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
Acquired on 30 September 2021				
Edinburgh Medical Services Ltd	Ordinary		100%	Provision of medical services
The Edinburgh Clinic Ltd	Ordinary		100%	Dormant

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 Group statement of financial activities.

All subsidiary undertakings are registered in England and Wales and their registered office is Epsom Gateway, Ashley Avenue, Epsom, Surrey KT18 5AL, except four subsidiaries registered in Scotland, and the Aspen subsidiaries acquired on 30 September 2021. The Aspen subsidiaries have their registered office at Centurion House 3rd Floor, 37 Jewry Street, London, EC3N 2ER, except for the two subsidiaries registered in Scotland at 40 Colinton Road, Edinburgh, EH10 5BT. The Scottish subsidiaries have their registered office at Saltire Court, 20 Castle Terrace, Edinburgh, United Kingdom EH1 2EN.

A 48.2% stake in Parkside IHL Scanning Services LLP and a 37% stake in Cancer Centre London LLP were not acquired on 30 September and are held by third parties, disclosed in note 34 Non-controlling interest.

17. Stock

	Group		Charity	
	2021 £m	2020 £m	2021 £m	2020 £m
Raw materials and consumables	15.8	10.5	11.7	10.1

There were no significant differences between the replacement cost and the values disclosed above.

Consignment stock not included in the Group Balance sheet is £18.0 million (2020 – 17.0 million). 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 £110.4 million (2020 – £91.1 million).

18. Debtors falling due within one year

	Group		Charity	
	2021 £m	2020 £m	2021 £m	2020 £m
Trade debtors	51.0	33.2	42.2	36.0
Amount owed by Group undertakings	–	–	4.1	4.8
Other debtors	18.8	9.2	16.1	9.2
Prepayments and accrued income	38.2	59.3	33.2	56.5
	108.0	101.7	95.6	106.5

Interest is charged on loans to Group undertakings at various rates of interest between 0% and 2.9% above the base rate (2020 – 2.0% and 2.9% 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 2021

19. Creditors: amounts falling due within one year

	Note	Group		Charity	
		2021 £m	2020 £m	2021 £m	2020 £m
Trade creditors		22.1	45.6	17.7	45.6
Amounts owed to Group undertakings		–	–	23.8	26.7
Obligations under finance leases		2.7	3.0	2.7	3.0
Social security and other taxes		8.3	10.9	7.6	10.8
Other creditors		44.7	16.3	44.4	16.4
Pension contributions		2.2	2.0	1.9	2.0
Liability for asset backed funding	8	–	–	8.2	4.7
Accruals and deferred income		136.0	113.0	130.0	114.2
Bank loan		324.1	–	324.1	–
Fair value of interest rate derivatives		–	0.7	–	0.7
		540.1	191.5	560.4	224.1

Interest is charged on amounts owed to Group undertakings at various rates of interest between 0.0% and 2.9% above the base rate (2020 – 2.0% and 2.9% above the base rate). The loans are repayable on demand and are unsecured.

20. Creditors: amounts falling due after more than one year

	Note	Group		Charity	
		2021 £m	2020 £m	2021 £m	2020 £m
Bank loan		–	305.0	–	305.0
Deferred expenses in connection with bank loan		–	(0.9)	–	(0.9)
		–	304.1	–	304.1
Secured loan notes		100.0	100.0	100.0	100.0
Obligations under finance leases		–	2.2	–	2.2
Liability for asset back funding	8	–	–	62.9	75.8
Other creditors		4.9	2.7	4.9	2.7
		104.9	409.0	167.8	484.8

Liability for asset backed funding

	Charity					
	2021			2020		
	Risk free discount rate %	Forecast Payments £m	Fair value of liability £m	Risk free discount rate %	2020 Forecast Payments £m	Fair value of liability £m
Amounts falling due within one year	0.76%	9.3	8.2	0.0%	5.8	4.7
Amounts falling due after one year	0.96% to 1.08%	67.5	62.9	0.03% to 0.6%	81.8	75.8
		76.8	71.1		87.6	80.5
Cash contribution paid in year			(2.0)			(1.5)

Notes to the financial statements continued

for the year ended 31 December 2021

21. Borrowings

		Group Total funds		Charity Total funds	
	Note	2021 £m	2020 £m	2021 £m	2020 £m
Borrowings are repayable as follows:					
One year or less:					
Finance leases		2.7	3.0	2.7	3.0
Bank loans	19	325.0	–	325.0	–
In more than one but not more than two years:					
Bank loans		–	305.0	–	305.0
Finance leases		–	1.6	–	1.6
In more than two but not more than five years:					
Finance leases		–	0.6	–	0.6
Secured loan notes	20	100.0	55.0	100.0	55.0
Bank loans	20	–	–	–	–
In more than five years:					
Secured loan notes	20	–	45.0	–	45.0
		427.7	410.2	427.7	410.2

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	7 October 2022
Secured loan note £55 million	Secured	Fixed 6.02%	4 October 2024
Secured loan note £45 million	Secured	Fixed 6.3%	4 October 2026
CLBILS	Secured	Variable between 1.24% and 2.6% + LIBOR	7 October 2022

22. Finance derivatives

The interest rate swap matured in October 2021 and the Group had no financial derivatives as at 31 December 2021.

The financial derivatives in place during 2021 were:

	Maturity	Fixed rate %	Principal £m
In Charity and Group			
At 1 January and 31 October 2021			
Interest rate swap – floating to fixed rate	October 2021	2.40%	25.0
Interest rate swap – floating to fixed rate	October 2021	0.60%	50.0

The fair value of derivatives at 31 December 2021 was £Nil (2020 – £0.6 million). The derivatives were recognised in the Balance sheet at their fair value as part of bank loans within creditors. The movement in the fair values was included in interest payable within the Consolidated statement of financial activities and the Consolidated income statement. The above table excludes the mark to market derivative on the asset backed funding arrangement in the Charity.

Notes to the financial statements continued

for the year ended 31 December 2021

23. Provisions for liabilities

Group	Property related £m	Self-insured £m	Other £m	Total £m
As at 1 January 2021	29.4	2.7	3.4	35.5
Additional provision	12.5	1.7	1.0	15.2
Acquisition (note 15)	5.1	–	–	5.1
Utilised in year	(3.1)	(0.1)	(1.3)	(4.5)
Released to Income statement	(4.4)	–	(0.9)	(5.3)
At 31 December 2021	39.5	4.3	2.2	46.0
Charity				
As at 1 January 2021	29.4	2.7	3.4	35.5
Additional provision	12.5	0.6	1.0	14.1
Utilised in year	(3.1)	(0.1)	(1.3)	(4.5)
Released to Income statement	(4.4)	–	(0.9)	(5.3)
At 31 December 2021	34.4	3.2	2.2	39.8

The onerous lease provision represents the minimum unavoidable lease cost loss expected to be incurred, after considering the net costs to fulfil 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 net present value of rent. The provision is calculated on a site-by-site basis and discounted as appropriate. An additional provision of £12.5 million and a credit of £4.4 million (2020 – charge of £19.6 million and a credit of £5.5 million) are reflected within adjusting items in the Income statement and in note 5.

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 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. Provisions are utilised based on the remaining lease of individual sites.

The self-insured provision covers the estimated exposure to medical negligence and public 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 (2020 – £1.0 million). Where the provision exceeds the excess, an asset has been recognised in debtors for the amount receivable from the insurance provider. Provisions are utilised based on the outcome of claims, which could take a number of years.

Other provisions relate to potential contractual VAT liabilities on certain legacy contracts which are expected to settle in 2022, 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.

24. Permanent endowments

	2021 £m	2020 £m
At 1 January and 31 December	0.1	0.1

The permanent endowment is held for the benefit of Nuffield Health Manor Hospital in Oxford.

25. Financial instruments

	Note	Group		Charity	
		2021 £m	2020 £m	2021 £m	2020 £m
Financial assets					
Measured at fair value through the Income statement and Statement of financial activities	16	0.1	0.1	0.1	0.1
That are equity instruments measured at cost less impairment	16	0.2	0.1	41.8	19.5
That are debt instruments measured at amortised cost		78.7	49.5	71.2	57.0
Financial liabilities					
Measured at fair value through the Income statement and Statement of financial activities		–	0.7	80.5	81.2
Measured at amortised cost		493.5	472.1	512.6	498.8

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. Refer to the going concern policy for more information. 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 2021, there were £50.0 million of unutilised bank loan facilities (2020 – £70.0 million), £12.5 million of unutilised CIBILS facilities (2020 – £12.5 million), and a further £10.0 million of unused overdraft facility (2020 – £10.0 million). The repayment dates of debt are set out in note 21.

During Q3 of 2022, the Group entered into a refinancing arrangement totalling £500.0 million. The Group has secured continued financing in the form of secured bank debt of £290.0 million for a five year term, as well as proceeds from a 50-year ground-rent-based property transaction raising capital of £210.0 million. The loan notes were redeemed upon conclusion of this transaction. The new debt facility includes a new regime of banking covenants. Refer to note 36 for more information.

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 22.

Notes to the financial statements continued

for the year ended 31 December 2021

26. Analysis of net assets between funds

The Group and Charity's assets and liabilities are unrestricted except for £0.1 million (2020 – £0.1 million) of investments that are a permanent endowment and there are restricted funds comprising cash of £0.8 million (2020 – £0.8 million). Unrestricted funds amount to -£55.5 million (2020 – -£77.4 million) for the Group and -£60.9 million (2020 – -£81.1 million) for the Charity. During the year, £23.0 million of grant income was transferred between restricted and unrestricted funds as it was fully utilised during 2021.

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. As a result, the furlough grant income, classified as restricted income, was transferred in full to unrestricted income in 2021.

27. Reconciliation of operating deficit to cash flow from operating activities

	Note	2021 £m	2020 £m
Total operating (deficit)		(15.3)	(74.1)
Adjusting items	5	17.2	9.5
Depreciation and amortisation		75.6	78.6
Earnings before interest, tax, depreciation, amortisation, exceptional items and non-cash elements of post-retirement benefits		77.5	14.0
Gain on disposal of assets		(7.1)	–
(Increase) in stocks		(1.7)	(0.2)
Decrease/(increase) in debtors		12.0	(10.6)
Increase in creditors		5.2	34.3
(Decrease) in provisions		(2.7)	(0.1)
Total cash flow from operations		83.2	37.4
Post-retirement benefits – additional cash payments		(5.9)	(1.5)
Cash generated from operating activities before exceptional items		77.3	35.9
Exceptional cash outflow from operations			
Exceptional items in operating surplus	5	(17.2)	(9.5)
Impairment of fixed assets		3.3	(7.4)
Increase/(decrease) in creditors		1.4	(0.5)
Increase in provisions		8.1	14.1
Increase in pension liability		–	0.2
Total cash outflow from exceptional activities		(4.4)	(3.1)
Total cash inflow from operating activities		72.9	32.8

28. Cash flows from investing activities

	2021 £m	2020 £m
Receipts from sale of tangible fixed assets and computer software	–	3.4
Purchase of tangible fixed assets and computer software	(61.1)	(53.4)
Acquisition of subsidiary (net of cash)	(10.4)	–
	(71.5)	(50.0)

29. Cash flows from financing activities

	2021 £m	2020 £m
Interest paid	(17.1)	(15.2)
Interest element of finance lease and hire purchase agreements	(0.1)	(0.2)
Receipt from new bank loan	20.0	38.0
Repayment of finance lease and HP agreements	(2.5)	(2.7)
	0.3	19.9

30. Analysis of net debt

	Note	At 1 Jan £m	Cash flow £m	Non-cash changes £m	At 31 Dec £m
Cash at bank and in hand	31	7.1	1.7	–	8.8
Bank loans due within one year	21	–	(20.0)	(305.0)	(325.0)
Bank loans due after more than one year	21	(305.0)	–	305.0	–
Secured loan notes due after more than one year	21	(100.0)	–	–	(100.0)
Finance leases due within one year	19	(3.0)	2.5	(2.2)	(2.7)
Finance leases due after more than one year	20	(2.2)	–	2.2	–
		(403.1)	(15.8)	–	(418.9)

Notes to the financial statements continued

for the year ended 31 December 2021

31. Cash and cash equivalents

	Group		Charity	
	2021 £m	2020 £m	2021 £m	2020 £m
Cash at bank and in hand	8.8	7.1	3.4	7.1

32. Capital commitments

	Group		Charity	
	2021 £m	2020 £m	2021 £m	2020 £m
Contracted for but not provided in these financial statements	1.6	12.8	0.8	12.8

33. Obligations under leases and hire purchase contracts

	Note	Group		Charity	
		2021 £m	2020 £m	2021 £m	2020 £m
Future minimum rentals under non-cancellable operating leases:					
Land and buildings					
Less than 1 year		48.2	50.5	48.2	50.5
Between 1 and 5 years		170.4	188.7	170.4	188.7
After 5 years		401.3	468.5	401.3	468.5
		619.9	707.7	619.9	707.7
Other					
Less than 1 year		4.6	5.7	4.6	5.7
Between 1 and 5 years		5.3	9.2	5.3	9.2
After 5 years		0.2	0.9	0.2	0.9
		10.1	15.8	10.1	15.8
Future minimum payments due under finance leases and hire purchase agreements:					
Less than 1 year	21	2.7	3.0	2.7	3.0
Between 1 and 5 years	21	–	2.2	–	2.2
		2.7	5.2	2.7	5.2

34. Non-controlling interest

	Note	Total £m
At 1 January 2021		–
At acquisition	15	0.6
Share of gain for the period		0.1
Non-controlling interest at 31 December 2021		0.7

35. Related party transactions

Total remuneration of the Trustees and Executive Managers was £5.4 million (2020 – £2.7 million). The Charity has no other related party transactions in 2021 (2020 – £Nil) other than with wholly owned undertakings, and is using the exemption allowed by FRS 102 to not disclose transactions with wholly owned undertakings.

36. Events after the reporting period

Following the acquisition of Aspen Healthcare on 30 September 2021, the Aspen hospitals continued to trade separately from the Charity at the year end. On 1 June 2022 the trading assets of Aspen Healthcare were acquired by the Charity, with a view to fully integrate the operations of Aspen Healthcare into Nuffield Health in the future.

During Q3 of 2022, the Group entered into a refinancing arrangement. The Group has secured continued financing in the form of secured bank debt and proceeds from a ground-rent-based property transaction raising total financing of £500.0 million.

The ground rent transaction consists of the disposal of an interest in 10 hospital freeholds to Alpha/Song, the subsequent long ground rent lease back to the Charity with a reversionary buy-back option at the end of a 50-year lease term. The capital raised as part of the ground rent transaction amounted to £210.0 million.

The new debt facility provides £290.0 million of bank debt over five years, with the option to extend one year plus another year subject to bank approval, with a similar regime of financial covenants as the previous facilities.

Additional Information

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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-optimal 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 2021 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 2021-2022.

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.

David Lister
Trustee and Chair of the Board Quality and Safety Committee

Independent regulators' hospital reviews

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 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.



◆ Outstanding ◆ Good ◆ Requires improvement

Hospital	Report published	Overall	Safe	Effective	Caring	Responsive	Well led
Bournemouth	Jun 2022	◆	◆	◆	◆	◆	◆
Brentwood	Jun 2017	◆	◆	◆	◆	◆	◆
Brighton	Feb 2018	◆	◆	◆	◆	◆	◆
Bristol	Aug 2016	◆	◆	***	◆	◆	◆
Cambridge	Nov 2016	◆	◆	◆	◆	◆	◆
Cheltenham	Jul 2016	◆	◆	◆	◆	◆	◆
Chester	Dec 2016	◆	◆	◆	◆	◆	◆
Chichester	Oct 2021	◆	◆	◆	◆	◆	◆
Derby	May 2016	◆	◆	◆	◆	◆	◆
Exeter	Oct 2016	◆	◆	◆	◆	◆	◆
Guildford	July 2019	◆	◆	◆	◆	◆	◆
Haywards Heath	Dec 2017	◆	◆	◆	◆	◆	◆
Hereford	Mar 2017	◆	◆	◆	◆	◆	◆
Ipswich	Nov 2016	◆	◆	◆	◆	◆	◆
Leeds	Jun 2017	◆	◆	◆	◆	◆	◆
Leicester	Mar 2017	◆	◆	◆	◆	◆	◆
Newcastle	Aug 2016	◆	◆	◆	◆	◆	◆
North Staffordshire	Jan 2022	◆	◆	◆	◆	◆	◆
Nuffield Health at St Bartholomew's		Hospital opened May 2022 – as yet not rated					
Oxford	Mar 2022	◆	◆	◆	◆	◆	◆
Plymouth	May 2022	◆	◆	◆	◆	◆	◆
Shrewsbury	Jul 2018	◆	◆	◆	◆	◆	◆
Taunton	Nov 2016	◆	◆	◆	◆	◆	◆
Tees	Apr 2022	◆	◆	◆	◆	◆	◆
Tunbridge Wells	Jul 2017	◆	◆	◆	◆	◆	◆
Warwickshire	Mar 2017	◆	◆	◆	◆	◆	◆
Wessex	Apr 2018	◆	◆	◆	◆	◆	◆
Woking	Aug 2017	◆	◆	◆	◆	◆	◆
Wolverhampton	Apr 2017	◆	◆	◆	◆	◆	◆
York	Jun 2017	◆	◆	◆	◆	◆	◆
Cardiff & Vale*		No issues identified by HIW					
Glasgow**		Good (HIS)					



Cambridge



Leeds



Chichester

* 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.

*** Not enough evidence to rate.

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 BQSC.

Nuffield Health 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 (e.g. 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 9001:2015 and ISO 13485:2016
- all all 34 Nuffield Health endoscopy services are enrolled with the Royal College of Physicians (RCP) Joint Advisory Group for Gastrointestinal Endoscopy (JAG) accreditation programme for continuous service and quality improvement.

Professional advisors

External auditor

- ◆ **Deloitte LLP**
2 New Street Square, London EC4A 3BZ

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



This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Contact and registered office details

Address:

Nuffield Health
Epsom Gateway
Ashley Avenue
Epsom
Surrey KT18 5AL

Online:

www.nuffieldhealth.com
Facebook.com/nuffieldhealth
Twitter.com/nuffieldhealth
Instagram.com/nuffield.health
YouTube.com/nuffieldhealthtv

Nuffield Health Registered Office:

Epsom Gateway, Ashley Avenue, Epsom, Surrey KT18 5AL.
A registered Charity number 205533 (England and Wales),
a Charity number SCO41793 (Scotland) and a company
limited by guarantee. Registered in England.
Company number 00576970.

Telephone:

0300 123 6200

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.

