



HQIP

Healthcare Quality
Improvement Partnership

**Trustees
Report and
Accounts
2015/16**

31 March 2016



Trustees

Mr Richard Driscoll (Chair)

Mr Alastair Henderson (vice-Chair)

Mr Philip Baker

Mr Robert Johnstone

Professor Donna Kinnair, DBE

Dr Sheila Marriott

Dr Linda Patterson, OBE

Professor Anne Marie Rafferty

Dr Victoria Tzortziou Brown

Chief executive: Ms Jane Ingham

Registered office: 70 Wimpole Street, London W1G 8AX

Principal office: 6th floor, 45 Moorfields, London EC2Y 9AE

Telephone: 020 7997 7370

Website: www.hqip.org.uk

Email: communications@hqip.org.uk

Company registration number: 6498947 (England and Wales)

Charity registration number: 1127049

Auditors: Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD

Bankers: Lloyds Bank Plc, 39 Threadneedle Street, London EC2R 8AU

Solicitors: Cameron's Solicitors LLP, 70 Wimpole Street, London W1G 8AX

Chair and CEO statement

Not a day goes by without an NHS news story, often focusing either on its funding or the quality of service that it delivers to patients and their families. Ours is a health service that is envied and highly regarded across the world. Like all healthcare systems, with the pressures of constantly improving treatments, demographic change, and increased emphasis on personalised care combined with a period of economic austerity, the challenge is to deliver better services across health and social care and achieve best value in terms of cost and quality. Achieving a shared view between patients, their carers and the service of what 'good' looks like is one of the challenges; another is turning the vast array of health data into information that all can use to drive improvements.

HQIP plays a key part in this complex picture, working collaboratively with patients, their healthcare teams and the wider NHS to collect, analyse and report robust data and information that will support:

- Shared decision making between patients and their clinical team
- Quality assurance of the service provided
- Quality improvement by teams delivering care

In 2015/16 we worked hard to maximise the impact and outcomes achieved through the programmes we commission on behalf of NHS England. Additionally we have started to explore the potential for further supporting patient-professional collaborations to continue to improve healthcare practice.

We have been hugely supported in our role this year by our very capable and committed staff (see appendix A), our key stakeholders and the patients and professionals who voluntarily participate in our Board and advisory groups. Of particular note is the role played by our Service User Network in helping us deliver our values.



Richard Driscoll, Chair, HQIP

Jane Ingham, CEO, HQIP



Planning for the future: HQIP Board and SMT away day, 30 June 2015

Trustees report

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2016. The Trustees have adopted the provisions of the 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 issued in July 2014.

HQIP vision, values and objectives

Our vision: HQIP aims to improve health outcomes by enabling those who commission, deliver and receive healthcare to measure and improve our healthcare services.

Our values: HQIP is an independent charity, which works in partnership with patients and healthcare professionals to influence and improve healthcare practice at all levels. We are committed to being open and accountable, and to listen, learn and respond swiftly and appropriately as part of our ongoing cycle of improvement.

Our work and how it achieves our vision and values

- HQIP commissions, manages, supports and promotes national and local programmes of quality improvement. This includes the national and local clinical audit programmes, the Clinical Outcome Review Programmes and the National Joint Registry on behalf of NHS England and other healthcare departments and organisations. HQIP uses best management and procurement practice to ensure robust results and actionable recommendations
- HQIP ensures patients and carers remain at the heart of our work through continued, strategic involvement in all relevant processes and projects
- HQIP supports healthcare professionals to review and improve their practice by providing education and training programmes, and opportunities to share best practice as part of promoting an integrated approach to quality improvement
- HQIP works to inform and influence national healthcare policy by effectively communicating its work and that of its partners
- HQIP encourages wide use of robust data for quality improvement of care, offering patient choice, promoting patient safety, supporting revalidation and service accreditation, commissioning, service redesign, and research
- HQIP is committed to be an efficient, well run organisation, which supports staff development and welfare

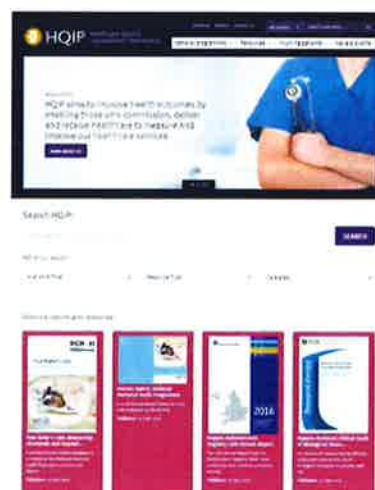
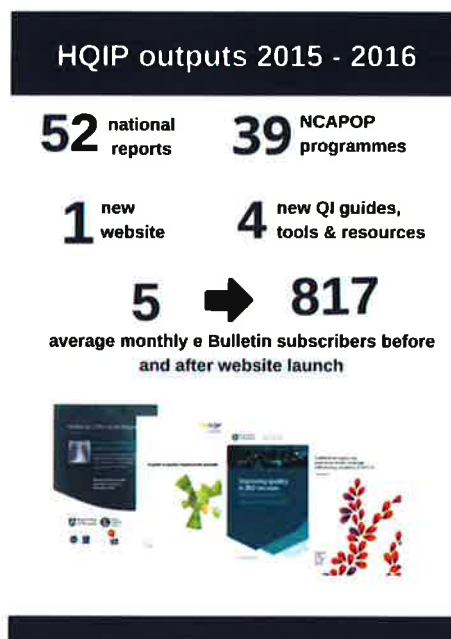
Public benefit

In shaping our objectives for and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Strategic report

Achievements and performance: Activity in 2015/16

- Successfully led the National Clinical Audit and Patient Outcomes Programme on behalf of NHS England. This is a world leading programme of national clinical audits, confidential enquiries and registries – 39 in total
- 52 national benchmarked reports published and widely communicated all aimed at improving patient outcomes
- Developed additional outputs from the programme to support national improvement agencies and regulation bodies e.g. CQC, clinical service quality markers and Consultant Outcomes Programme (NHS England), Quality Standards (NICE)
- Through the NJR, continued to assure patient safety of replacement joints by post-market surveillance and evolving risk adjustment methodology used for outlier monitoring
- Published four online resources to support clinical teams in their quality improvement activities and how to involve patient and the public in those activities
- Ensured data collected is used responsibly for secondary purposes such as service evaluation and research
- Increased the provision of information on clinical activity for patients and the public using the advice and experience of our Service Users Network
- Continued to work collaboratively across the sector through our advisory groups and direct relationships



In-print, face-to-face and online: some aspects of HQIP's stakeholder engagement activities in 2015/16

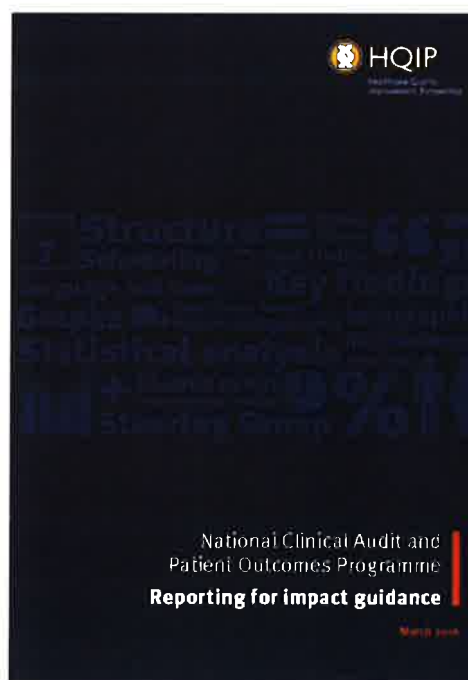
Future work: Overarching aims

- Continue to maximise the impact of national clinical audit, confidential enquiries and registries on improving patient outcomes
- Exploration of how HQIP can maximise its potential to facilitate and enable service users, clinical teams and provider organisations to make use of high quality data in their improvement journey
- Continue to keep patients and carers at the heart of the organisation
- Strengthen our multi-professional collaborative working by including new and emerging health improvement organisations
- Be an efficient well run organisation which supports its staff and their development

Future work: Activity planned for 2016/17

These are the underpinning themes identified that will influence and shape our work programme for 2016/17. They will be used to consider activities that will support us in delivering our vision and strategic objectives:

- NCAPOP 'Reporting for Impact' (RFI) and its continued implementation
- National clinical audit for local quality improvement
- Data quality
- Maximising the use of technology
- Intelligent transparency
- Service integration/collaboration across HQIP



Financial report

Results for the year

Income:

During the year ended 31 March 2016, HQIP received income totaling £24,479,589 (2015: £20,068,814) of which £22,431,136 (2015: £18,024,412) was for restricted purposes, and £2,048,453 (2015: £2,044,402) was for the general purposes of the charity including management fees of £2,020,000 (2015: £1,982,809).

Income included £9,739,441 (2015: £10,173,897) to finance 30 (2015: 29) national clinical audits. In addition, HQIP collected subscriptions of £2,340,455 (2015: £2,447,030) from NHS Trusts to support national audits. The Scottish Government contributed £50,007 (2015: £17,831) to two projects.

In 2016, income for the Clinical Outcome Review Programmes totaling £4,241,447 (2015: £2,528,055) was collected from all UK Administrations. This included funding for a National Mortality Case Record Review. Income for the Learning Disabilities Mortality Review in 2016 was £2,484,953 (2015: £75,047).

In 2015-16, the National Joint Registry (NJR) collected subscriptions totaling £2,938,280 (2015: £2,231,191). Other income of £523,580 (2015: £453,184) included supplier contributions and income for a price benchmarking service. NJR income is held in a separate bank account to be used solely to fund the work of the Registry.

Expenditure:

In 2015-16, HQIP commissioned and managed 29 national clinical audit contracts with a total value of £11,201,836 (2015: £9,724,548). Support to programme methodology was £90,817 (2015: £120,000). Costs for the National Advisory Group on Clinical Audit and Enquiries (NAGCAE) were £17,490 (2015: £24,918).

Expenditure on the Clinical Outcome Review Programmes was £3,074,250 (2015: £2,715,329). Governance costs were £17,700 (2015: £13,709). Expenditure on the Learning Disabilities Mortality Review was £535,073 (2015: £58,000).

Expenditure on the management and development of the National Joint Registry was £3,239,133 (2015: £3,351,502).

Funding of £30,833 (2015: £26,675) was provided to regional and multi-site audit projects, and £2,500 (2015: £23,997) to support registers and databases.

HQIP spent a total of £510,537 (2015: £713,783) on reinvigoration of audit, including £7,583 (2015: £77,931) on related events. Expenditure on audit and social care was £11,004 (2015: £71,828).

Expenditure on Clinical Outcomes Publication was £251,974 (2015: £354,980) including staff costs.

In 2016, expenditure on the development of Clinical Service Accreditation was £35,483 (2015: £nil).

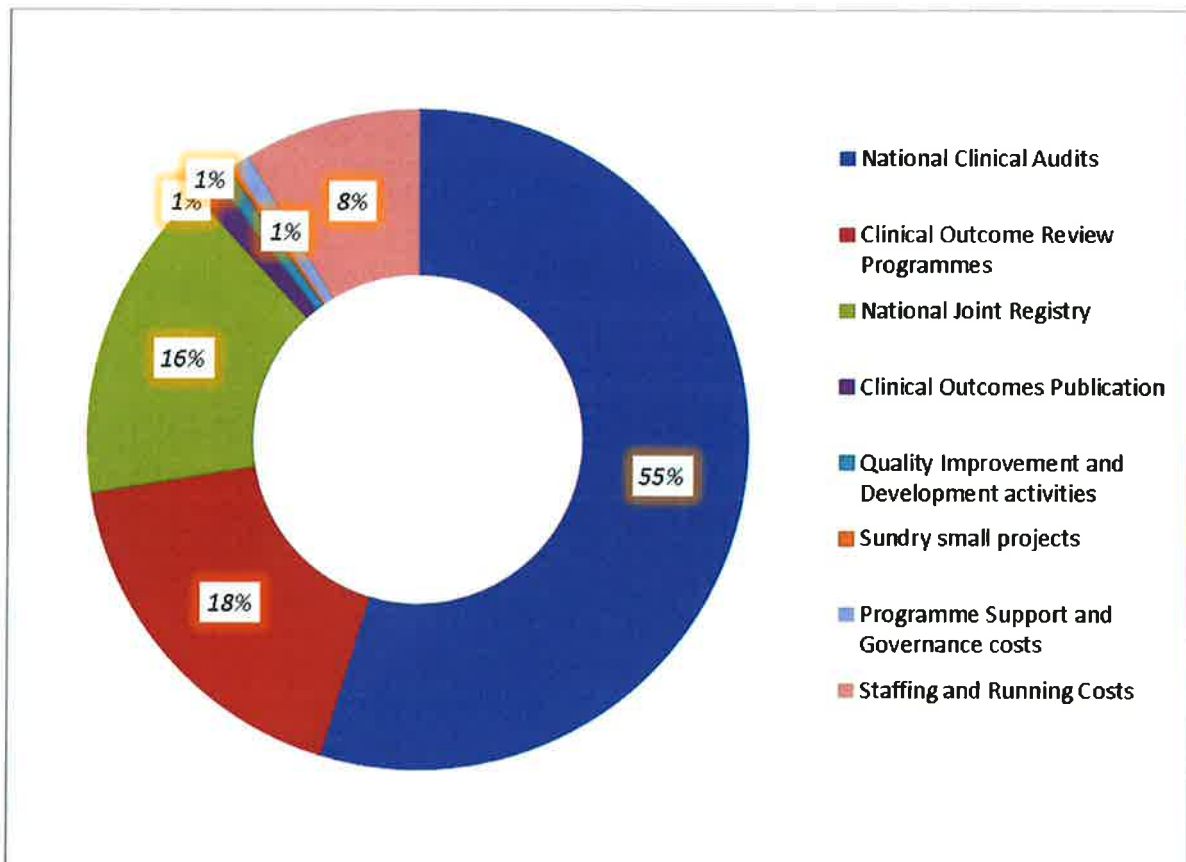
Other direct charitable expenditure, including support costs, totalled £1,456,721 (2015: £1,189,095), including governance costs of £24,636 (2015: £25,842).

Financial position

The balance sheet at 31 March 2016 shows total funds of £15,306,835 (2015: £11,302,597), including restricted funds totaling £14,034,233 (2015: £10,245,829) and unrestricted funds comprising general funds of £1,144,166 (2015: £984,165), tangible and intangible fixed assets of £77,229 (2015: £35,388) and designated funds of £51,208 (2015: £37,215).

At 31 March 2016, the charity retained free reserves of £1,144,166 (2015: £984,165).

Fig. 1: HQIP expenditure 2015/16



Reserves policy

The Trustees have examined the requirement for free reserves, i.e. those unrestricted funds not invested in tangible or intangible fixed assets, designated for specific purposes or otherwise committed. The current policy is that the level of free reserves should be equivalent to three to six months' staffing and lease commitments (£645,800 to £1,291,601). The actual free reserves of £1,144,166 at March 2016, was within this range.

Investments

The Trustees have agreed an investment policy whereby there must be minimal risk to capital, and investment products must meet high ethical standards. The performance of investments is reported at each Board meeting and reviewed at least twice annually. Investment income accruing to restricted monies is applied to the relevant restricted funds.

Remuneration policy

HQIP recognises that its staff is its greatest asset and is working with staff to develop an appropriate rewards package. As part of this work, HQIP commissioned external providers to work in partnership with the organisation to undertake a job levelling exercise, develop a competency framework, and undertake a pay benchmarking exercise to review existing salary bands in 2015-16.

Recommendations resulting from this HR Improvement Infrastructure Plan project were agreed by the Trustees and will be implemented in 2016-17.

Risk management

The Board of Trustees maintains a comprehensive Risk Register which is reviewed and discussed at every Board Meeting. Risks fall into four categories:

- Governance and legal
- People, leadership and management
- Delivery and impact
- Finance

The probability and impact of each risk is calculated and the charity's mitigation strategy for each is noted. Risks assessed as potentially having the greatest impact in 2015/16 were:

1. **Risk:** Failure of information governance management
Mitigation: Review and future development of internal compliant processes in relation to information governance to ensure a comprehensive approach within the organisation; formation of an independent information governance advisory group; training of all staff on an annual cycle; Identification of the data flows in each audit with legal basis to be revisited at each recommissioning.
2. **Risk:** Failure to recruit and retain staff
Mitigation: Salary benchmarking and review of reward package; development of a competency framework and individualised objectives; learning and development plan; exit interviews.
3. **Risk:** Failure to deliver on prime contract
Mitigation: Regular contract reviews with agreed deliverables; robust systems, documentation and monitoring of processes and plans.
4. **Risk:** Reputational damage due to publication of inappropriately validated or risk adjusted data
Mitigation: We have convened a Methodological Advisory Group drawing on audit expertise and academic collaborators; provision of guidance on outlier management, risk adjustment methodologies, and data validation approaches.

Risks: Other

Other risks are minimised by internal quality control procedures, including rigorous financial controls. The Trustees believe that by monitoring reserves levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Governance

HQIP is a company limited by guarantee and incorporated on 11 February 2008. It was subsequently registered for charitable purposes with the Charity Commission for England and Wales on 4 December 2008. Its members comprise a consortium of three organisations who are individually the members of HQIP: the Academy of Medical Royal Colleges, the Royal College of Nursing, and National Voices. Their roles are set out in our Memorandum and Articles of Association. As allowed by our governing instruments, observers from related bodies who support our strategic governance are represented on the board.

Liability of the members

In the event of the charitable company being wound up during the period of membership, or within the year following, company members are required to contribute an amount not exceeding £10.

Structure and management reporting

Each organisation appoints representatives, acting as directors, who form the Trustees of the organisation and the Board of directors. If any person appointed by those organisations leaves their role, they also leave the board of HQIP and the member organisation must nominate a replacement who takes their place as a Trustee. There are three representatives from each of the consortium members. Normally a director is appointed for three years, but is eligible for re-appointment for a further three years.

The Board meets four times a year and additionally for special occasions. From their members they elect a Chair and appoint a Treasurer. The secretariat role is provided by the partnership chief executive who is delegated to manage the charity and handle operational matters of policy and delivery. The Trustees handle matters of strategic planning and policy, including sign-off of the charity's strategic and operational plans.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements
- State whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006.


They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Trustees' Annual Report is approved by the Trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the Trustees in their capacity as directors in company law of the Charity.

Signed on behalf of the Trustees on: 13th October 2016

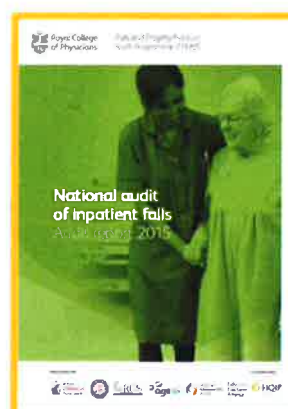
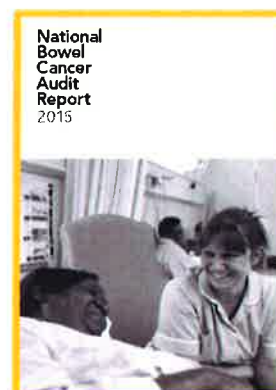
By: 

Chair.

HQIP Commissions in 2015-16

National clinical audits:

Bowel Cancer
Cardiac (Adult Cardiac Surgery)
Cardiac Heart Rhythm Management
Cardiac (Congenital Heart Disease)
Cardiac (Heart Failure)
Cardiac (Myocardial Infarction National Audit Project)
Cardiac (Percutaneous Cardiac Intervention)
Chronic Kidney Disease in Primary Care
Chronic Obstructive Pulmonary Disease
Complex Needs
Dementia Care in Hospitals
Diabetes in Adults
Early Intervention in Psychosis
Emergency Laparotomy
End of Life Care
Epilepsy 12
Falls and Fragility Fracture
Head and Neck Cancer
HIV/STI Feasibility study
Inflammatory Bowel Disease
Lung Cancer
National Vascular Registry
Neonatal Care
Oesophageal Gastric Cancer
Ophthalmology
Paediatric Diabetes
Paediatric Intensive Care
Prostate Cancer
Rheumatoid and Early Inflammatory Arthritis
Sentinel Stroke (SSNAP)

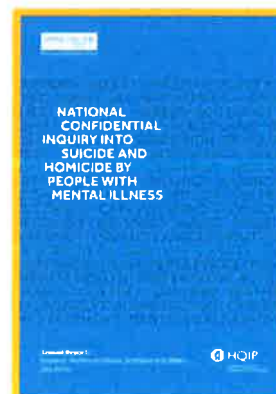


Clinical Outcome Review Programmes:

Child Health
Learning Disabilities
Maternal and Newborn
Maternity Evidence Review
Medical and Surgical
Mental Health
National Mortality Case Record Review

Multi-site or regional audits, registers:

Autoimmune Hepatitis
Juvenile Idiopathic Arthritis



Auditors report

Independent auditor's report to the members of Healthcare Quality Improvement Partnership.

We have audited the financial statements of Healthcare Quality Improvement Partnership for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is 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 Ireland'.

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

Respective responsibilities of Trustees and auditor

The Trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Annual Report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its 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; and
- Have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Neil Finlayson, Senior Statutory Auditor

For and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House

60 Goswell Road

London

EC1M 7AD

1/11 / 2016

Appendix A: HQIP staff in 2015/16

Permanent staff:

Zohreh Ajdari
Rebecca Beaumont
Louise Cleaver
Daniel Devitt
Tosin Eniade
Kate Godfrey
Miranda Heneghan
Nicholas Holmes
Tasneem Hoosain
Jane Ingham
Sheila Jivraj
Anna Kisielewska
James Ludley
Amanda MacDonald
Charlotte McClymont
David McKinlay
Simon Marrow
Sharon Medhurst
Eleanor Mitchell-Heggs
Jennifer Mooney
Kieran Mullan
Sophia Olatunde
Priya Oomahdat
Carol Pilcher
Lorna Pridmore
Kim Rezel
Eve Riley
Vivien Seagrove
Joan Shearman
Yvonne Silove
Sidartha Sinha
Mirek Skrypak
Elizabeth Smith
Mandy Smith
Martina Strack
James Thornton
Kirsten Windfuhr
Elaine Young

Seconded staff:

Danny Keenan
Ben Bridgewater

Interim staff:

We would also like to thank the following, who provided interim support:

Eloise Birbara
Sarah Butler
Hannah Carre
Saskia Dean
Tim Foley
Zesmina Hashan
Keira Huber
Judith Hughes
Daniel Laverick
Lorna McDowell
Christina Smith
Therese Whalley



**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
INCOME AND EXPENDITURE					
Income					
Donations and Legacies	2	-	-	-	62,160
Income from Investments	3	2,973	2,973	5,946	5,452
Charitable Activities <i>Management, development and promotion of Clinical Audit</i>	4	2,045,480	22,418,163	24,463,643	19,968,270
Other income	5	-	10,000	10,000	32,932
Total Income		<u>2,048,453</u>	<u>22,431,136</u>	<u>24,479,589</u>	<u>20,068,814</u>
Expenditure					
Charitable activities <i>Management, development and promotion of Clinical Audit</i>	6	<u>1,832,619</u>	<u>18,642,730</u>	<u>20,475,349</u>	<u>18,414,122</u>
Total expenditure		<u>1,832,619</u>	<u>18,642,730</u>	<u>20,475,349</u>	<u>18,414,122</u>
Net income		215,834	3,788,406	4,004,240	1,654,692
Transfers between funds		-	-	-	-
Net movement in funds	8	<u>215,834</u>	<u>3,788,406</u>	<u>4,004,240</u>	<u>1,654,692</u>
Balances brought forward at 1 April 2015		<u>1,056,768</u>	<u>10,245,829</u>	<u>11,302,597</u>	<u>9,647,905</u>
Balances carried forward at 31 March 2016		<u><u>1,272,602</u></u>	<u><u>14,034,235</u></u>	<u><u>15,306,837</u></u>	<u><u>11,302,597</u></u>

All gains and losses arising in the period have been included in the statement of financial activities and relate to continuing operations.

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible fixed assets	12		57,699		-
Tangible fixed assets	13		<u>19,530</u>		<u>35,388</u>
			<u>77,229</u>		<u>35,388</u>
Current assets					
Debtors	14	8,147,467		5,946,289	
Cash at bank and in hand		<u>15,360,367</u>		<u>10,807,738</u>	
		<u>23,507,834</u>		16,754,027	
Creditors: amounts falling due within one year	15		<u>8,278,226</u>	<u>5,486,818</u>	
Net current assets			<u>15,229,608</u>		11,267,209
Total net assets			<u><u>15,306,837</u></u>		<u><u>11,302,597</u></u>
Funds and reserves					
Restricted funds	16		14,034,235		10,245,829
Unrestricted funds					
General fund	19	1,144,165		984,165	
Fixed assets fund	17	77,229		35,388	
Designated funds	18	<u>51,208</u>		<u>37,215</u>	
			<u>1,272,602</u>		1,056,768
Total funds and reserves			<u><u>15,306,837</u></u>		<u><u>11,302,597</u></u>

Approved by the Trustees of Healthcare Quality Improvement Partnership company registration number 06498947 (England and Wales) and signed on their behalf by:


.....
Trustee

Approved on: 16th October 2016

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

	2016 £	2015 £
Cash flow from operating activities		
Net cash provided by operating activities	4,607,772	1,079,347
Cash flows from investing activities		
Investment income and interest received	5,946	5,452
Payments to acquire intangible fixed assets	-	(41,674)
Payments to acquire tangible fixed assets	(61,089)	-
	(55,143)	(36,222)
Net increase in cash and cash equivalents	4,552,629	1,043,125
Cash and cash equivalents at beginning of year	10,807,738	9,764,613
Cash and cash equivalents at end of year	15,360,367	10,807,738

Reconciliation of net income to net cash flow from operating activities

Net income including endowments	4,004,240	1,654,692
Adjustments for:		
Depreciation charge	15,858	15,283
Amortisation charge	3,390	-
Interest receivable	(5,946)	(5,452)
(Increase)/decrease in debtors	(2,201,178)	(103,318)
Increase/(decrease) in creditors	2,791,408	(481,858)
	4,607,772	1,079,347
Net cash provided by operating activities	4,607,772	1,079,347

STATEMENT OF FINANCIAL ACTIVITIES YEAR TO 31 MARCH 2016

1) Accounting policies

a) Basis of accounting

These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) and the Charities Act 2011.

FRS 102 has been adopted for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015. An explanation and reconciliation of how the transition has affected the reported financial position and financial performance is provided in note 25 to the financial statements.

The financial statements are prepared in sterling, which is the functional currency of the company.

Monetary amounts in these financial statements are rounded to the nearest pound.

b) Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on grant income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

c) Income

Income is recognised net of VAT in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be extended in a future accounting period. Income is only recognised for amounts that are probable at the date of preparation of the accounts. Any further amounts received after this date are recognised in subsequent periods.

Funding from government and other agencies have been included as income from charitable activities where these amount to either a contract for services or the charity has acted as agents. However where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding, then this has been treated as a donation.

STATEMENT OF FINANCIAL ACTIVITIES YEAR TO 31 MARCH 2016

1) Accounting policies continued

d) Expenditure and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and excludes attributable VAT where it can be recovered.

Expenditure comprises the following:

i) The costs of activities in furtherance of the charity's objects comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include:

- National Clinical Audit and Patient Outcomes Programme: amounts expended on the commissioning of national clinical audits
- NAGCAE (National Advisory Group on Clinical Audit and Enquiries): members' expenses and cost of meetings
- Clinical Outcome Review Programmes: commissioning and managing enquiries and reviews
- Clinical Outcomes Publication
- National Joint Registry: expenditure relating to the management and development of the Registry
- Quality improvement and development activities
 - Reinvigoration: expenditure relating to the promotion and advancement of clinical audit as a means of improving the provision of healthcare
 - Events: the hosting of local and national events for audit practitioners, including seminars and conferences for local audit specialists

ii) Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment. Such costs are allocated across the activities of the charity based on an estimate of staff time.

iii) Governance costs are the costs of governance arrangements which relate to the general running of the charity and include audit fees, any legal advice for trustees and costs associated with constitutional and statutory requirements e.g. the cost of trustees' meetings and preparing statutory financial statements.

e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

STATEMENT OF FINANCIAL ACTIVITIES YEAR TO 31 MARCH 2016

1) Accounting policies continued

f) Fund accounting

Restricted funds comprise monies whose use is restricted to a specific purpose, or is subject to donor imposed conditions.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

The fixed assets fund comprises the net book value of charity's fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

General unrestricted funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects

g) Tangible fixed assets

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised. Depreciation is provided at the following annual rates in order to write each asset off over its estimated useful life:

- Computer and similar equipment 33% per annum based on costs
- Furniture and general office equipment 20% per annum based on costs

h) Intangible fixed assets

Intangible fixed assets include the development costs of the website and are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

- Website development costs 33% per annum based on costs

i) Operating lease

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the terms of the lease.

j) Pension contributions

i) NHS Scheme:

It is not possible for HQIP to identify its share of the underlying scheme liabilities in relation to the NHS final salary pension scheme, consequently the scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period. Those employers contributing under Direction status have their pension cost contributions charged to operating expenses as and when they become due.

STATEMENT OF FINANCIAL ACTIVITIES YEAR TO 31 MARCH 2016

1) Accounting policies continued

j) Pension contributions (continued)

ii) Defined contribution scheme

The cost of the scheme is equal to the contributions payable to the scheme for the accounting period.

k) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

l) Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 14 and 15 for the debtor and creditor notes.

m) Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

2) Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2016 £
Government grants	-	-	-
	Unrestricted funds £	Restricted funds £	Total 2015 £
Government grants	-	62,160	62,160

3) Interest receivable

	Unrestricted funds £	Restricted funds £	Total 2016 £
Bank interest receivable	2,973	2,973	5,946
	Unrestricted funds £	Restricted funds £	Total 2015 £
Bank interest receivable	2,726	2,726	5,452

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

4) Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £
Income from contracts			
NHS England			
-Management Support Fee	2,020,000	-	2,020,000
-NCAPOP Audits	-	9,739,441	9,739,441
-NCAPOP Subscriptions	-	2,340,455	2,340,455
-NCAPOP Administration Fees	25,480	-	25,480
-Learning Disabilities Mortality Review	-	2,484,953	2,484,953
-Dementia Care Audit Pilot Project	-	-	-
-Accreditation	-	100,000	100,000
	<u>2,045,480</u>	<u>14,664,849</u>	<u>16,710,329</u>
All UK Administrations			
-CORP programme income	-	4,241,447	4,241,447
-NCAPOP (Scottish Contributions)	-	50,007	50,007
Other			
-NJR Subscription income	-	2,938,280	2,938,280
-NJR Other income	-	523,580	523,580
	<u>-</u>	<u>7,753,314</u>	<u>7,753,314</u>
	<u>2,045,480</u>	<u>22,418,163</u>	<u>24,463,643</u>
	£	£	£
Income from contracts			
NHS England			
-Management Support Fee	1,982,809	-	1,982,809
-NCAPOP Audits	-	10,173,897	10,173,897
-NCAPOP Subscriptions	-	2,447,030	2,447,030
-NCAPOP Administration Fees	25,935	-	25,935
-Learning Disabilities Mortality Review	-	75,047	75,047
-Dementia Care Audit Pilot Project	-	22,450	22,450
	<u>2,008,744</u>	<u>12,718,424</u>	<u>14,727,168</u>
All UK Administrations			
-CORP programme income	-	2,528,055	2,528,055
-NCAPOP (Scottish Contributions)	-	17,831	17,831
Other			
-NJR Subscription income	-	2,231,191	2,231,191
-NJR Other income	-	453,184	453,184
European commission	-	10,841	10,841
	<u>-</u>	<u>5,241,102</u>	<u>5,241,102</u>
	<u>2,008,744</u>	<u>17,959,526</u>	<u>19,968,270</u>

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

5) Other income

	Unrestricted funds £	Restricted funds £	Total 2016 £
Miscellaneous income	-	10,000	10,000
	Unrestricted funds £	Restricted funds £	Total 2015 £
Miscellaneous income	32,932	-	32,932

6) Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £
Management, development and promotion of clinical audit			
National Clinical Audit & Patient Outcomes Programme (NCAPOP)			
NCAPOP Audits	-	11,201,836	11,201,836
NCAPOP Retendering & Support Costs	-	34,121	34,121
Methodological Support	90,817	-	90,817
NCAPOP Transition Costs	-	13,761	13,761
Regional and Multi-Site Audits	-	30,833	30,833
Registers & Databases	-	2,500	2,500
Clinical Outcome Review Programmes			
Programme Costs incl NMCRR	-	3,074,250	3,074,250
Learning Disabilities Mortality Review	-	535,073	535,073
National Review of Asthma Deaths	-	-	-
Head Injuries Project	-	11,000	11,000
Governance	17,700	-	17,700
Staff Costs	811,468	112,767	924,235
Support Costs	373,602	100,000	473,602
NAGCAE Meeting Costs & Members Expe	17,490	-	17,490
	1,311,077	15,116,141	16,427,218
National Joint Registry (NJR)			
NJR Programme Costs	-	2,826,273	2,826,273
Staff Costs	-	268,409	268,409
Support Costs	-	144,451	144,451
	-	3,239,133	3,239,133
Clinical Outcomes Publication			
Clinical Outcomes Publication	-	111,085	111,085
Staff Costs	-	90,888	90,888
Support Costs	-	50,000	50,000
	-	251,973	251,973
Other Registers and Databases	-	-	-
Cyprus Project	-	-	-
Carried forward	1,311,077	18,607,247	19,918,324

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

6) Charitable activities (continued)

	Unrestricted funds £	Restricted funds £	Total 2016 £
Quality Improvement and Development			
Reinvigoration of Clinical Audit	128,480	-	128,480
Education & Training	16,970	-	16,970
National Events	7,583	-	7,583
Staff Costs	213,770	-	213,770
Support Costs	143,735	-	143,735
	<u>510,538</u>	<u>-</u>	<u>510,538</u>
Audit & Social Care			
Audit & Social Care	11,004	-	11,004
Staff Costs	-	-	-
	<u>11,004</u>	<u>-</u>	<u>11,004</u>
Development of Clinical Service Accreditation	-	20,834	20,834
Staff Costs	-	14,650	14,650
	<u>-</u>	<u>20,834</u>	<u>20,834</u>
	<u>1,832,619</u>	<u>18,642,730</u>	<u>20,475,349</u>
	£	£	£
Management, development and promotion of clinical audit			
National Clinical Audit & Patient Outcomes Programme (NCAPOP)			
NCAPOP Audits	-	9,724,548	9,724,548
NCAPOP Retendering & Support Costs	-	74,648	74,648
Methodological Support	120,000	-	120,000
NCAPOP Transition Costs	-	9,174	9,174
Regional and Multi-Site Audits	-	26,675	26,675
Registers & Databases	-	-	-
Clinical Outcome Review Programmes			
Programme Costs incl NMCRR	-	2,715,329	2,715,329
Learning Disabilities Mortality Review	-	58,000	58,000
National Review of Asthma Deaths	-	60,795	60,795
Head Injuries Project	-	-	-
Governance	13,709	-	13,709
Staff Costs	657,534	17,047	674,581
Support Costs	370,639	-	370,639
NAGCAE Meeting Costs & Members Expenses	24,918	-	24,918
	<u>1,186,800</u>	<u>12,686,216</u>	<u>13,873,016</u>
Carried forward	<u>1,186,800</u>	<u>12,686,216</u>	<u>13,873,016</u>

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

6) Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £
National Joint Registry (NJR)			
NJR Programme Costs	-	2,923,450	2,923,450
Staff Costs	-	275,744	275,744
Support Costs	-	155,388	155,388
	-	<u>3,354,582</u>	<u>3,354,582</u>
Clinical Outcomes Publication			
Clinical Outcomes Publication	-	245,856	245,856
Staff Costs	-	59,124	59,124
Support Costs	-	50,000	50,000
	-	<u>354,980</u>	<u>354,980</u>
Other Registers and Databases	-	<u>23,997</u>	<u>23,997</u>
Cyprus Project	-	<u>10,597</u>	<u>10,597</u>
Quality Improvement and Development			
Reinvigoration of Clinical Audit	85,857	-	85,857
Education & Training	44,564	-	44,564
National Events	77,931	-	77,931
Staff Costs	301,585	-	301,585
Support Costs	215,185	-	215,185
	<u>725,122</u>	-	<u>725,122</u>
Audit & Social Care			
Audit & Social Care	-	24,316	24,316
Staff Costs	-	47,512	47,512
	-	<u>71,828</u>	<u>71,828</u>
Development of Clinical Service Accreditation	-	-	-
Staff Costs	-	-	-
	-	-	-
	<u>1,911,922</u>	<u>16,502,200</u>	<u>18,414,122</u>

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

7) Support costs	Total 2016 £	Total 2015 £
Staff costs (Core Team Apportioned)	294,903	325,998
Consultancy to NCAPOP and IG Support	72,880	-
Other Staff Costs and Sundry Expenses	1,349	33,739
Staff Training	13,072	7,705
Staff Recruitment	12,727	25,071
Advertising & Publicity	23,704	32,219
Financing & Bank Charges	953	953
Hire of Office Equipment	4,700	3,297
Communications Resources (Website)	1,950	22,579
Marketing Automation	12,495	-
Relocation Costs	-	9,948
Premises Costs (Rent & Facilities Charges)	179,376	167,926
Computer Equipment & Software	4,994	2,829
IT Support	19,569	17,667
Printing, Stationery & Office Supplies	8,795	10,912
Postage	1,523	1,839
Telephone	15,874	14,591
Other Accommodation Costs and Room Hire	1,991	7,042
Travel, Subsistence & Accommodation	21,177	14,460
Service User Network	4,550	7,388
Subscriptions	1,631	1,643
Communications	28,918	18,457
Other Meeting Costs inc. Catering	7,924	446
Insurance	16,716	16,715
Professional Fees - HR Consultancy	1,876	6,747
Depreciation	15,858	15,283
Amortisation	3,390	-
Job Levelling Exercise	14,258	-
Governance:		
<i>Audit Fees</i>	12,800	15,400
<i>Legal and other Governance Costs</i>	10,661	9,322
<i>Trustee expenses</i>	1,175	1,036
	811,789	791,212
	811,789	791,212

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

7) Support costs (continued)

Support costs have been allocated on the basis of staff time expended in each area as follows:

	Total 2016 £	Total 2015 £
Management, development and promotion of clinical audit	373,602	370,639
National Joint Registry	144,451	155,388
Quality improvement and development (QID)	143,735	215,185
Clinical Outcomes Publication	50,000	50,000
Learning Disabilities Mortality Review	40,000	-
National Mortality Case Record Review	60,000	-
	811,789	791,212

8) Net movement in funds

This is stated after charging:

	Unrestricted funds £	Restricted funds £	Total 2016 £
Auditor's remuneration			
Statutory audit services	10,240	2,560	12,800
Other services (Corporation Tax Return)	-	-	-
Depreciation	15,858	-	15,858
Amortisation	3,390	-	3,390
Operating Lease Rentals	162,000	-	162,000

	Unrestricted funds £	Restricted funds £	Total 2015 £
Auditor's remuneration			
Statutory audit services	12,320	3,080	15,400
Other services (Corporation Tax Return)	2,075	-	2,075
Depreciation	15,283	-	15,283
Amortisation	-	-	-
Operating Lease Rentals	150,000	-	150,000

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

9) Employees and staff costs

	2016 £	2015 £
Wages and salaries	1,264,549	1,172,698
Social security costs	142,307	133,077
Pension costs (Scottish Equitable)	49,664	54,025
Pension costs (NHS)	31,883	23,737
	<u>1,488,403</u>	<u>1,383,537</u>
Pensions admin fees and income protection insurance	2,000	1,550
Costs of secondment	113,908	114,041
Cost of agency staff	202,543	194,271
	<u><u>1,806,854</u></u>	<u><u>1,693,399</u></u>

Staff costs have been allocated as follows:

	2016 £	2015 £
Management, development and promotion of clinical audit	924,235	657,534
National Joint Registry	268,409	275,744
Quality Improvement and Development	213,770	301,585
Audit & Social Care	-	47,512
Learning Disabilities Mortality Review	-	17,047
Clinical Outcomes Publication	90,888	59,124
Cyprus project	-	8,855
Accreditation	14,650	-
Support costs	294,903	325,998
	<u><u>1,806,855</u></u>	<u><u>1,693,399</u></u>

The average number of employees during the period and the actual numbers at 31 March 2016, calculated on a full time equivalent basis, analysed by function, was as follows:

	2016 Average Number	Actual number at 31 March 2016	2015 Average Number	Actual number at 31 March 2015
Charitable activities				
-Contract Management and commissioning	12.1	22	9.7	14
-NJR & National Development Team	2.6	4	3.3	4
-Quality improvement and Development Team	3.6	6	4.6	5
-Management and core services	5.3	6	5.0	7
- Clinical fellowships	1.0	1	-	-
	<u><u>24.6</u></u>	<u><u>39</u></u>	<u><u>22.6</u></u>	<u><u>30</u></u>

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

9) Employees and staff costs (continued)

The number of employees earning more than £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the period was as follows:

	2016	2015
£60,000-70,000	1	1
£70,000-80,000	2	2
£90,000-100,000	2	1

HQIP made contributions to defined contribution schemes totalling £38,496 (2015: £25,170).

Key management personnel include the Trustees, Chief Executive (and senior staff reporting directly to the Chief Executive). The total employee benefits of the charity's key management personnel were £430,825 (2015: £457,492). No trustee received any remuneration as part of this figure.

10) Trustees' remuneration

None of the Trustees received any remuneration in respect of their services during the period (2015: £Nil). During the year out of pocket travelling expenses amounting to £1,175 were reimbursed to three trustees (2015: £1,036 to three trustees).

The charity has purchased insurance to protect the charity from any loss arising from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the period totalled £11,279 (2015: £10,918) and provides cover of up to a maximum of £10 million (any one claim or the aggregate during one period of insurance - being 12 months).

11) Taxation

HQIP is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

12) Intangible Fixed Assets

	Website £
Cost	
At 1 April 2015	-
Additions	61,089
Disposals	-
At 31 March 2016	61,089
Amortisation	
At 1 April 2015	-
Charge for the year	3,390
Eliminated on disposal	-
At 31 March 2016	3,390
Net book values	
At 31 March 2016	57,699
At 31 March 2015	-

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

13) Tangible Fixed Assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2015	81,568
Additions	-
Disposals	-
At 31 March 2016	81,568
Depreciation	
At 1 April 2015	46,180
Charge for the year	15,858
Eliminated on disposal	-
At 31 March 2016	62,038
Net book values	
At 31 March 2016	19,530
At 31 March 2015	35,388

14) Debtors

	2016 £	2015 £
Trade debtors	7,268,539	4,964,116
Prepayments and other debtors	539,111	498,897
Accrued income	339,817	483,276
	8,147,467	5,946,289

15) Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	2,984,435	3,462,723
Other creditors	16,750	13,964
Tax and social security	958,731	698,957
Accruals	2,058,241	1,101,706
Deferred income	2,260,069	209,468
	8,278,226	5,486,818

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

16) Restricted Funds

	At 1 April 2015	Income	Expenditure	Transfers	At 31 March 2016
	£	£	£	£	£
NCAPOP Audits	6,533,141	9,739,441	(11,201,836)	1,940,307	7,011,053
NCAPOP Subscriptions	-	2,340,455	(112,768)	(2,227,687)	-
Clinical Outcomes Publication	565	-	(251,974)	253,259	1,850
NCAPOP Scottish Extensions	17,831	50,007	-	-	67,838
NCAPOP Transition Costs	38,393	-	(13,760)	-	24,633
NCAPOP Retendering	-	-	(34,121)	34,121	-
Development of Clinical Service Accreditation	-	100,000	(35,482)	-	64,518
Regional & Multisite Audits	124,650	-	(30,833)	-	93,817
CORP Programme Costs including NMCRR	267,883	4,241,447	(3,134,250)	(2,000)	1,373,080
Learning Disabilities Mortality Review	-	2,484,953	(575,073)	-	1,909,880
National Review of Asthma Deaths	10,180	-	-	-	10,180
Head Injuries Project	9,000	-	(11,000)	2,000	-
National Joint Registry	3,210,837	3,464,833	(3,239,133)	-	3,436,537
Other Registers & Databases	33,349	10,000	(2,500)	-	40,849
	10,245,829	22,431,136	(18,642,730)	-	14,034,235
	At 1 April 2014	Income	Expenditure	Transfers	At 31 March 2015
	£	£	£	£	£
NCAPOP Audits	4,154,041	10,173,897	(9,724,548)	1,929,751	6,533,141
NCAPOP Subscriptions	-	2,447,030	-	(2,447,030)	-
Clinical Outcomes Publication	-	-	(354,980)	355,545	565
NCAPOP Scottish Extensions	-	17,831	-	-	17,831
NCAPOP Transition Costs	47,567	-	(9,174)	-	38,393
NCAPOP Retendering	-	-	(74,648)	74,648	-
Development of Clinical Service Accreditation	-	-	-	-	-
Regional & Multisite Audits	151,325	-	(26,675)	-	124,650
CORP Programme Costs including NMCRR	305,911	2,590,215	(2,715,329)	87,086	267,883
Learning Disabilities Mortality Review	-	75,047	(75,047)	-	-
National Review of Asthma Deaths	70,975	-	(60,795)	-	10,180
Head Injuries Project	9,000	-	-	-	9,000
National Joint Registry	3,878,318	2,687,101	(3,354,582)	-	3,210,837
Other Registers & Databases	57,346	-	(23,997)	-	33,349
Other	50,782	33,291	(82,425)	(1,648)	-
	8,725,265	18,024,412	(16,502,200)	(1,648)	10,245,829

STATEMENT OF FINANCIAL ACTIVITIES YEAR TO 31 MARCH 2016

16) Restricted Funds

NCAPOP - National Clinical Audit and Patient Outcomes Programme

Management of the National Clinical Audit and Patient Outcomes Programme (NCAPOP), servicing existing contracts and commissioning new audits according to priorities set by NHS England and NAGCAE (National Advisory Group on Clinical Audit and Enquiries). A list of NCAPOP audits supported in 2016 appears on page 12.

Funds for multi-site and regional audit projects, registers and databases are shown separately.

Clinical Outcomes Publication

Clinical Outcomes Publication is an NHS England initiative managed by HQIP, to publish quality measures at individual consultant, team and unit level using national clinical audit and administrative data.

Development of Clinical Service Accreditation

Development of Clinical Service Accreditation – in order to accurately assess the performance of clinical services in relation to established standards and implement ways to continuously improve these.

NJR - National Joint Registry

To fund work to ensure that patients obtain the best clinical care during and following their joint replacement operation. To provide patients, clinicians, healthcare purchasers, commissioners, regulators and implant suppliers with evidence as to which are the best performing implants, ensuring that NHS and other healthcare resources are best used. NJR funds are held in a separate bank account.

CORP - Clinical Outcome Review Programmes

Confidential enquiries designed to stimulate improvements in safety and effectiveness by enabling clinicians, managers and policy makers to learn from adverse events and other relevant data. Coverage is UK-wide, and the programme includes the following topics: **deaths following medical and surgical intervention; suicides and homicide among people with mental illness; a child health review; and, maternal, infant and perinatal mortality.** A national review of asthma deaths was concluded in 2016. Two new programmes were commenced – a review of factors contributing to excess premature **mortality for people with learning disabilities;** and development of a consistent and standardised methodology for **national mortality case record review.**

NRAD - National Review of Asthma Deaths

A three-year study bringing together medical professionals, patient organisations and families to collect details of deaths from asthma in hospitals and in community across the UK, with the aim of improving care and reducing mortality.

Registers

Funds disbursed to other condition specific registers and databases.

Head injuries project

Data on approximately 6,000 children who attended hospital with a head injury is being reviewed to determine how the early management of head injury in children affects health outcomes, identifying factors associated with adverse outcomes.

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

17) Fixed Assets Fund

	At 1 April 2015	Additions	Depreciation/ Amortisation	Disposals	At 31 March 2016
	£	£	£	£	£
Fixtures, fittings, equipment	35,388	-	(15,858)	-	19,530
Website	-	61,089	(3,390)	-	57,699
	<u>35,388</u>	<u>61,089</u>	<u>(19,248)</u>	<u>-</u>	<u>77,229</u>
	At 1 April 2014	Additions	Depreciation/ Amortisation	Disposals	At 31 March 2015
	£	£	£	£	£
Fixtures, fittings, equipment	8,997	41,674	(15,283)	-	35,388
Website	-	-	-	-	-
	<u>8,997</u>	<u>41,674</u>	<u>(15,283)</u>	<u>-</u>	<u>35,388</u>

The fixed assets fund represents the net book value of the charity's fixed assets

18) Designated Funds

The income fund of the charity includes the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 April 2015	New designations	Utilised/ released	Transfers	At 31 March 2016
	£	£	£	£	£
CORP Governance	14,561	20,000	(17,700)	-	16,861
NAGCAE	15,172	30,000	(17,490)	-	27,682
Audit Methodology	7,482	90,000	(90,817)	-	6,665
	<u>37,215</u>	<u>140,000</u>	<u>(126,007)</u>	<u>-</u>	<u>51,208</u>
	At 1 April 2014	New designations	Utilised/ released	Transfers	At 31 March 2015
	£	£	£	£	£
CORP Governance	8,270	20,000	(13,709)	-	14,561
NAGCAE	10,090	30,000	(24,918)	-	15,172
Audit Methodology	7,482	120,000	(120,000)	-	7,482
	<u>25,842</u>	<u>170,000</u>	<u>(158,627)</u>	<u>-</u>	<u>37,215</u>

The above funds have been set aside for CORP (Clinical Outcome Review Programme) governance, NAGCAE (National Advisory Group on Clinical Audit Enquiries) and the review of audit methodology. The fund balances will be spent in 2016-17.

19) Analysis of Net Assets Between Funds

	General Fund	Fixed assets fund	Designated funds	Restricted funds	Total 2016
	£	£	£	£	£
Intangible fixed assets	-	57,699	-	-	57,699
Tangible fixed assets	-	19,530	-	-	19,530
Current assets	2,205,051	-	90,913	21,211,870	23,507,834
Current liabilities	(1,060,886)	-	(39,705)	(7,177,635)	(8,278,226)
Total net assets	<u>1,144,165</u>	<u>77,229</u>	<u>51,208</u>	<u>14,034,235</u>	<u>15,306,837</u>

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 MARCH 2016**

19) Analysis of Net Assets Between Funds (continued)

	General Fund	Fixed assets fund	Designated funds	Restricted funds	Total 2015
	£	£	£	£	£
Intangible fixed assets	-	-	-	-	-
Tangible fixed assets	-	35,388	-	-	35,388
Current assets	1,766,238	-	79,579	14,908,210	16,754,027
Current liabilities	(782,073)	-	(42,364)	(4,662,381)	(5,486,818)
Total net assets	984,165	35,388	37,215	10,245,829	11,302,597

20) Contractual commitments

At 31 March 2016 the charity had no commitments in respect of contract payments approved for national clinical audits and which had not been accrued due to necessary milestones not being achieved by providers at the year end.

21) Leasing commitments

At 31 March 2016 the charity had total commitments under non-cancellable operating leases falling due as follows:

	2016 £	2015 £
Under 1 year	175,717	162,000
2 - 5 years	191,711	13,500
	367,428	175,500

22) Pension commitments

HQIP operates a money purchase pension scheme for most employees however three staff were eligible for Direction status and HQIP therefore contributed to the NHS Pension Scheme for these employees.

The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the Secretary of State, in England and Wales. As a consequence it is not possible for HQIP to identify its share of the underlying scheme liabilities. The scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period.

Employers contributing under Direction status have their pension cost contributions charged to operating expenses as and when they become due. Employer contribution rates are reviewed every four years (previously five years) following an actuarial investigation carried out by the scheme actuary. On advice from the actuary the contribution rate may be varied from time to time to reflect changes in the scheme's liabilities. At the last actuarial investigation on which contribution rates were based (31 March 2004) employer contributions were set at 14% of pensionable pay.

A copy of the actuarial investigation and latest resource accounts can be viewed on the NHS Business Services Authority website:

<http://www.nhsbsa.nhs.uk/Pensions?Valuations.aspx>

The total pension costs in the period were £81,547 (2015: £77,762) and £11,849 (2015: £11,951) were payable at 31 March 2016.

23) Related Party Transactions

The charity has no related party transactions to disclose for the year ended 31 March 2016.

24) Liability of members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £10

STATEMENT OF FINANCIAL ACTIVITIES YEAR TO 31 MARCH 2016

25) Transition to FRS102

This is the first year that the Charity has prepared its financial statements under FRS 102. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was 1 April 2014.

There has been no effect on the charitable company's net income for the financial year ended 31 March 2015 nor on its total funds at 1 April 2014 and 31 March 2015.

Other Adjustments arising on transition to FRS 102

The following adjustments have also been made in order to comply with the new SORP/ FRS 102 which have had no effect on total funds or the income and expenditure account but which have affected the presentation of certain items in the statement of financial activities. The main items were:

- i) Governance costs are no longer presented as a separate category of expenditure in the Statement of Financial Activities. They are now regarded as part of support costs which are allocated to the cost of activities undertaken by the Charity.



HQIP

Healthcare Quality
Improvement Partnership

Measuring and improving our healthcare services

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