

ULSTER INDEPENDENT CLINIC LIMITED

(A company limited by guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2023

The Directors present their strategic report for the year ended 30 April 2023. As a charity registered with the Charity Commission for Northern Ireland (NIC 103565), the Directors are committed to proper governance and probity in all its activities. Work continues at The Ulster Independent Clinic (The Clinic) to ensure the delivery of its founding principles of advancement of health and saving of lives.

Charitable Objective

The Clinic exists to help the general public through the provision of medical and healthcare services for the prevention, relief and curing of sickness. The key charitable objectives are the diagnosis of illness and physical injury and the relief of pain and suffering as the result of receiving medical treatment. It provides the following facilities and services to achieve its charitable goals:

- In and day patient rooms
- Operating theatres
- Recovery wards
- Outpatient Department
- Physiotherapy Department
- X-ray Department
- Pharmacy
- Laboratory

Public Benefit Requirement

Public Benefit is a legal requirement of every organisation established with charitable objectives and the Directors confirm that they have had due regard to the Charity Commission for Northern Ireland's guidance on public benefit reporting on The Clinic's benefits and achievements. The Directors are confident of the benefits that flow from our charitable objectives to our patients and that any private benefit received is purely incidental to the purposes of our work.

The direct benefits that flow from The Clinic's charitable purpose are:

- The diagnosis of illness and physical injury;
- The relief of pain and suffering as a result of receiving medical treatment; and
- The delivery of improved health outcomes amongst those using our services.

The Clinic helps members of the general public and the beneficiaries continue to be those patients who require diagnosis and treatment of illness. Fees totalling £36,654,718 were paid by private individuals, healthcare charities and insurance companies. All such fees, net of the costs of providing the services, are re-invested in the facilities of the Clinic to expand or enhance the quality of services to patients. The Clinic continues to provide services to beneficiaries through a pro bono scheme.

The indirect benefits that flow from The Clinic's purpose continue to be:

- Provision of training for student nurses, radiographers and physiotherapists who are able to diagnose illness and physical injury and relieve pain and suffering as a result of providing medical treatment.
- Provision of meeting and training facilities for several Northern Ireland Healthcare Groups who are able to diagnose illness and physical injury and relieve pain and suffering as a result of providing medical treatment.
- More healthcare facilities being available to the public as the members of the general public, who use the organisation's services, relieve pressure on the public sector healthcare services.

The wider benefits that flow from The Clinic's charitable purpose continue to include the financial contribution to the public healthcare sector through the purchase of services and the acquisition of medical supplies at market value.

In providing medical treatment for patients, the benefits are evidenced through feedback from patients, regular independent evaluation of our services by Regulation and Quality Improvement Authority (RQIA) and accreditation by Caspe Healthcare Knowledge Systems (CHKS). In providing these services, there is a risk of unintended clinical harm, however this is rare and the benefit outweighs the harm in providing treatment. If incidents occur, they are independently reviewed, to ensure lessons are learnt and policies, protocols and procedures updated to reflect best practice.

ULSTER INDEPENDENT CLINIC LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

Principal Risks and Uncertainties

The health and well-being of our employees, patients, and consultant users of service continues to be of paramount concern and arrangements have been put in place to ensure that The Clinic's premises remain a safe environment. The situation is kept under review and the Directors will take any necessary measures to maintain the viability of the services provided.

Regulatory and Key Performance Indicators

The provision of high quality services to patients is at the heart of The Clinic's activities. It is registered with RQIA and has CHKS accreditation, which is an independent standards based quality assessment programme. Additionally, the HDSU (Hospital Decontamination and Sterilisation Unit) has ISO13485MDD accreditation and the CPL (Cellular Pathology Laboratory) has ISO15189:2012 Medical Laboratories accreditation. All quality and assurance processes and procedures are in accordance with the requirements of RQIA and CHKS.

Within The Clinic, there is a comprehensive programme of internal clinical audit mechanisms and analysis. This data is used to quantify the performance of the organisation on an ongoing basis. The Clinical Governance Committee monitors the outcomes and analysis of this clinical data. The Clinic also submits information from its comprehensive analysis to the National Joint Registry (NJR) and Private Healthcare Information Network (PHIN).

Review of Activities

The key stakeholders of the Clinic are our patients, staff, consultants, suppliers and regulators. In assessing performance, the Directors focus on two key metrics:

Firstly, the quality of service provided to ensure the optimal outcome for all users of our facilities. The Clinic remains in the top quartile of providers for quality of service in all independent evaluations undertaken and patient feedback is positive with over 98% of patients being satisfied with the service. The Clinic continues to seek to ensure all patients have an excellent experience in each individual contact and opportunities to improve our service are identified from any comments or complaints received, either formally or informally. The Board monitor the implementation of any resulting action plan and ensure standards remain in line with best practice.

Secondly, the level of activity across our services including inpatient, day case and outpatient activity is critical in meeting our charitable goals. During the twelve months to 30 April 2023, there were over 110,000 patient interactions.

Financial Results

Income from charitable activities during the year amounted to £36,654,718 representing an increase of 5.0% on the previous year. Expenditure on charitable activities increased by 5.3% on the previous year. The Directors are pleased that their strategy to increase activity is beginning to fulfil its purpose. Going forward, the Directors will seek to build the Clinic's reserves to enable continued investment in both staff and facilities as set out in our reserves policy.

The net incoming resources before other recognised gains and losses for the year for the group amounted to £2,778,304 (2022: net incoming resources of £2,331,258). The overall surplus for the year including pension impact is £5.8m (2022: surplus £8.62m). The Directors are committed to continuing to fund investment in staff and facilities within affordable limits.

The Clinic recognises that its most valuable asset is its staff and The Clinic continues to invest in this critical resource. In appreciation of the continued commitment of staff, the Board of Directors provide competitive salaries, private medical insurance and a number of other benefits. The defined benefit pension scheme closed to new members on 30 April 2016 and a defined contribution scheme was introduced and The Clinic contributes to the scheme as an employer. The total staff costs for the organisation increased by 3.4% on the previous year, as set out in note 13. The net incoming or outgoing resources set out in the Statement of Financial Activities is a key financial performance measure for the Board of Directors and represents the focus for management attention in the next financial year as it supports future investment in both staff and facilities. The property and equipment of the Clinic (its facilities) are represented by the designated reserves and is the second key financial performance measure. The Board of Directors will continue to maintain the facilities at the current high standard through the capital development and replacement programme as noted above.

ULSTER INDEPENDENT CLINIC LIMITED

(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

Fixed Assets

Information relating to changes in fixed assets is given in Note 17 to the financial statements.

Reserves Policy and Reserves

The Directors believe that The Clinic needs general unrestricted reserves equivalent to six months outgoing resources together with annual capital replacement costs of £1.8m for specific capital project costs when required. There is currently a capital project amounting to £8.0m in line with our strategy to upgrade theatres and sterile support services at the Clinic. At the year end £2.2m has been contracted for but not provided for in the financial statements. Additionally, amounts attributable to land and buildings less any related borrowings will be held as designated reserves as these assets are held for the long term and are not readily disposable. In the financial year ended 30 April 2023 the Directors have allocated an amount of £30.7m as designated funds.

The recommended level of general unrestricted reserves at 30 April 2023 is £26.8m, comprising £17.0m for working capital, £1.8m for equipment replacement and £8m for capital development. The general unrestricted reserves at 30 April 2023 were £13.7m. At this level, the Directors feel that they would be able to continue the current activities of the organisation and have developed an action plan to increase reserves to meet future capital development. The unrestricted reserves of £13.7m comprise net current assets of £8.65m which are readily available to fund working capital requirements and the immediate capital needs of the Clinic. The remaining unrestricted and designated reserves comprise a pension asset and plant and equipment which may take time to realise to support the reserves policy.

Currently, The Clinic has no borrowings, has a strong asset base, which underpins its activities, and continues to be cash generative, however the Directors recognise that it is imperative that the organisation works towards the target reserves level contained in our 2020-2025 strategy document. The Directors will therefore seek to build reserves towards the target level set out in our reserves policy by the delivery of a surplus over the coming years in order to fund the required capital development and maintenance programmes for The Clinic.

At 30 April 2023, capital commitments amounting to £1,794,715 had been authorised but not contracted for (Note 32).

The Reserves Policy is monitored and reviewed at least annually. The Directors actively consider the reserves target, in light of capital development and maintenance plans.

Plans for the Future

While the financial performance of The Clinic had been under pressure during previous years, the need to develop services remains at the forefront of our strategy.

In addition to investing in staff remuneration, the Directors have enhanced the senior management structure with the appointment of a Director of Governance and Risk.

The Clinic's focus for 2022/2023 is the expansion of the decontamination and sterilisation unit and the theatre department. The construction is scheduled to complete in late 2023.

Improving our charitable activities including facilities for patients, visitors and consultant users of service is at the forefront of all expenditure.

In terms of performance, the target for The Clinic is to maintain quality standards in the top quartile of providers and increase our activity levels across all specialities by providing access to the facilities required as and when needed.

The Directors have pleasure in submitting their report and financial statements for the year ended 30 April 2023. The Directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of The Clinic.

ULSTER INDEPENDENT CLINIC LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

Statement of Directors' responsibilities for preparing the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Directors are required to:

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

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

Constitution

The Clinic is incorporated under the Companies Act 2006, being a company limited by guarantee not having a share capital.

The Clinic is governed by its Memorandum and Articles of Association since its incorporation on 15th June 1977 and by the Companies Act 2006.

The Clinic has been formally admitted as a charity for income tax purposes. The statutory reliefs under S.505 of the Income and Corporation Taxes Act 1988 are admissible on income from 15 June 1977 subject to compliance with the terms of S.505 of the Act.

Company registration number: NI 12066

Registered with the Charity Commission Northern Ireland: NIC 103565

Registered office: 245 Stranmillis Road,
Belfast,
BT9 5JH

Directors - Supervisory Board

Each of the Directors set out below has held office during the period from 1 May 2022 to the date of this report unless otherwise stated.

J G Brown FRCS (Chairman)	M Berry MBA, FInstLM
T Diamond FRCS	J R Gillvray OBE (Retired 30/08/2023)
D E Graham RGN	M H Pitt FCA
N C McGregor FCA (Retired (31/01/2023))	I Mainie FRCP
G Briggs FRCR	G F Hamilton
K Khosraviani FRCS	

Mr J Gillvray, Mr T Diamond and Mr K Khosraviani will retire at the forthcoming Annual General Meeting and, being eligible, will offer themselves for re-election.

ULSTER INDEPENDENT CLINIC LIMITED

(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

Principal Officers - Executives

Chief Executive	Miss D E Graham
Director of Finance/Company Secretary	Mrs N C McGregor
Director of Governance & Risk	Mrs C Norris
Theatre Manager (Acting)	Mrs K Stanley
Operations Manager	Mrs J Scott
Estates Manager	Mr S Dunlop

Management Structure

The Directors are responsible for the review of all activities, approval of budgets and implementation of future strategy. The Directors meet at least ten times per annum. There are five Board Sub-Committees including Nominations, Clinical Governance, Financial Audit & Risk, Development and Remuneration; each meet on a regular basis and report to the Board of Directors.

The Financial Audit and Risk Committee comprises three members of the Board of Directors. It meets on a regular basis and reports to The Directors. It is responsible for financial probity and considering the risk associated with the market within which the Clinic operates.

The Clinical Governance Committee comprises four members of the Board of Directors, the current Chair of the Medical Advisory Committee, Matron, Theatre Manager and the Quality and Education Sister. The Committee meets monthly and reports to the Board of Directors.

The Remuneration Committee comprises four members of the Board of Directors. It is responsible for setting the salaries of all staff and managers of the organisation, including key management personnel. The Committee meets regularly and reports to the Board of Directors.

The Development Committee was established in 2023 and comprises four members of the Board of Directors. The Committee meets regularly and reports to the Board of Directors.

The Nominations Committee comprises four members of the Board of Directors. The Committee meets twice yearly and reports to the Board of Directors.

The Operational Management Group is made up of the Principal Officers and is responsible for all operational and day to day matters. It also recommends fixed asset expenditure for approval by the Board. The Group meets at least ten times per year.

Four departmental user groups report to the Operational Management Group as do the committees responsible for risk, health and safety and finance resources. This information is reviewed by the relevant Board Sub-Committees.

The Medical Advisory Committee operates separately from the Clinic. It has its own constitution and is responsible for approving and reviewing each consultant's practicing privileges at the Clinic. This process is overseen by the Clinical Governance Committee to ensure regulatory compliance, in the interest of patient safety and wellbeing.

ULSTER INDEPENDENT CLINIC LIMITED

(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

Appointment of Directors

New Directors are appointed by the Board as required. Each year one third (or a number nearest to one third) of the Directors, for the time being, retires from office. A retiring Director is eligible for re-election. The maximum term of office is normally nine years but can be extended.

Director training

Prior to joining the Board of Directors each prospective member meets with the Chairman. This meeting provides an overview of the organisation and the role and responsibilities of each member of the Board. A Directors Pack for the Ulster Independent Clinic is given to each new member of the Board when they join. In addition, on-going training is provided in specific areas.

Principal Activities and Objectives

The Clinic's principal activity is to prevent, relieve and cure sickness and ill health of every kind and to promote health. The objectives of the organisation are to:

- provide quality healthcare,
- sustain and increase surplus by developing new services/procedures in conjunction with the users of service,
- ensure effective communication throughout the organisation and externally,
- encourage consultants holding substantive posts in healthcare to use the facilities,
- meet all legislative requirements,
- ensure the safety of all users and staff,
- effectively manage human resources.

The Clinic's strategy reflects the aims and objectives of the organisation and is reviewed triennially.

Employees

All departments within The Clinic have regular staff meetings whereby information is disseminated to and obtained from staff by each department head. There are monthly meetings with each head of department to facilitate the exchange of information with senior management. Also on the agenda for discussion at these monthly meetings is the current statistical and budgetary information for the organisation.

Equal Opportunities

The Board of Directors, the Chief Executive and the Senior Management Team are committed to providing equality of opportunity in employment to all persons. Our Equal Opportunities Policy applies to all those who work for or apply to work for the Ulster Independent Clinic.

The Clinic is an equal opportunities employer, that promotes a good and harmonious working environment in which its employees are treated with dignity and respect. The Clinic does not discriminate unlawfully against any person on the grounds of gender including gender reassignment, marital or civil partnership status, religious belief or political opinion, disability, age, race, sexual orientation or trade union membership/non-membership.

The Clinic is opposed to all forms of unlawful or unfair discrimination. Decisions made about recruitment and selection, training, promotion, transfers, pay awards or any other benefits, are made objectively and without unlawful discrimination.

The Clinic endeavours to ensure that its workplace and employment policies/practices do not unreasonably exclude or disadvantage those of our job applicants and employees who have disabilities. To this end the Clinic complies with the duty to make reasonable adjustments in relation to such persons.

The Board of Directors recognises that the provision of equal opportunities in the workplace is not only good management practice it also makes sound business sense. Our equal opportunities policy will help all those who work for the Clinic to develop their full potential, and the talents and resources of the workforce will be fully utilised to maximise the efficiency and effectiveness of the organisation.

ULSTER INDEPENDENT CLINIC LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

Risk Review

The Directors have assessed the major risks to which The Clinic is exposed. Risks identified have been categorised into eight areas - strategic, financial, clinical, operational, human resources and personnel, pension, governance and emerging. Major risks are assessed on an ongoing basis. The following systems are in place to mitigate exposure to risk:

- Ongoing review of the Strategic Plan and continued analysis of the Northern Ireland Market.
- Monitoring of financial information on a monthly basis with adequate planning processes and financial controls in place.
- Extensive range of policies and procedures to cover all aspects of the organisational service.
- Organisational structure which includes provision for deputies for key roles and an effective succession planning process.
- Close monitoring of the pension fund with actuarial advice.
- Robust governance controls with sufficient management and reporting structures in place.
- Frequent assessment of risk to ensure all possible consequences are considered and controls implemented.

Clinical governance is an important element of assessing risks and ensures patient safety in every aspect of the services provided. The Clinical Governance Committee works together with the Medical Advisory Committee regarding all aspects of consultant practicing privileges and patient care. In addition, the Committee regularly review accidents, incidents, care quality indicators, audit results, patient feedback and complaints to ensure learning outcomes are shared and changes in practice introduced.

Public Benefit

The direct benefits that flow from The Clinic's charitable purpose are set out on page 1 of the Strategic Report.

Directors' statement of compliance with duty to promote the success of the Company

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way they would consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of its decisions in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

Disclosure of information to auditors

The Directors have confirmed that there is no information which they are aware of which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution to re-appoint UHY Hacker Young Fitch Limited will be proposed at the forthcoming Annual General Meeting and to authorise the Directors to fix the remuneration of the auditors for the year ended 30 April 2024.

Approved by order of the members of the board of Directors on 25 October 2023 and signed on their behalf by:



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Martin H Pitt FCA
(Director)