

**QUALITY
ASSURED**
PRACTITIONER



Annual report 2017-2018



PHYSIO
EST. **FIRST** 1952



Quality time?

It is hard to believe that 12 months have gone by and we are approaching another AGM. However, as I was thinking about how to introduce this annual report I realise that once again it has been a very full year for Physio First.

We reaffirmed our vision in October 2017 to continue to champion evidence-based, cost-effective private physiotherapy with Physio First members in the changing healthcare marketplace and never has this felt so relevant as it does now. This is our quality time! I do hope you have all been following our progress and participating in our Big 5 unique benefits to the extent that you can. We have made such progress in so many areas; our newsletter became more frequent and developed into an electronic format, making it more accessible and capable of sharing real time marketplace news as it unfolds. Its open and click-through rates have proved to be more than twice those of industry standard, so we are confident that our news is reaching you!

We have built upon our rebrand of last year when we invested significant amounts of our reserve in our website development and are now on our journey to rebuild it. A huge achievement at a time when many member organisations are struggling.

In addition to all our business as usual, our Quality Assured Practitioner scheme, which we launched in November 2016, has grown and been acknowledged in the wider marketplace as the only one of its kind. We all know that collecting data is no longer an option, so to be able to do this through our own very respected scheme seems the obvious choice and a firm step in the preservation of our autonomy. I hope you have followed our news about our role in the working group and forums about quality MSK in the private sector, on behalf of our members. The only certain outcome is that we will have to demonstrate our

quality somehow; whether that is to the self-paying public or to any other purchaser with whom we, as individual practitioners or as businesses, wish to do business.

The time is right for private physiotherapy to demonstrate our quality, so let's do this together and become known for being able to claim this ground!

How often in this fast-moving world do we say that time goes by so fast or that we are time poor or struggling with time management? As Physio First we feel just the same yet a considerable number of our friends, colleagues and our commercial partners choose to give up significant amounts of their precious time to volunteer to share the load, and work hard on so many levels to champion Physio First and our achievements.

Due to this changing world and our commitment to explore modern ways of connecting our teams, to include our office team, our volunteer post holders, our members and our commercial partners, we will focus during 2018 on finding new, more resourceful and time friendly ways of encouraging different ways to volunteer. So, if you are interested in becoming more involved in the ambitions of Physio First in any way (however small) then do get in touch.

Finally, our General Secretary Paul Donnelly is now committed to the next phase in the facilitation of a physio owned co-operative. Find out all about this in these coming pages and the coming editions of our e-newsletter, *The Core*.

Quality does count and our time for counting quality is now!

PAM SIMPSON | CHAIRMAN | Physio First

Chairman's report 2017-2018

Physio First, founded in 1952, is the professional network of the Chartered Society of Physiotherapy (CSP) and trade association representing self-employed chartered physiotherapists. In 2013 our executive agreed our vision was to champion evidence-based, cost-effective private physiotherapy with Physio First members in the changing healthcare marketplace. Having completed our agreed 9 Goals in our 2013 five-year business plan one year ahead of time, we revisited our vision in October 2017 and re-affirmed it for the next three years. It helps enormously to have such a clear vision and something on which to target all our resources. These resources include all our time, energy and money (TEM) – all considered equal, with no one any more or less important than the other.

We are run by our elected executive committee, all volunteers who are practising private physiotherapists. They are supported by more volunteers currently organised into four sub committees and up to 18 regional officers, all of whom work closely with our 11-person office team. As a professional network of the CSP, we are described as “a self-governing body that is responsible for our own financial and organisational liabilities”.

Main achievements 2017-2018



1

For more than 60 years, Physio First has been representing the interests of self-employed private practitioners, identifying and assessing threats and then fighting (within the law) moves that would undermine them. We support our members by educating them on how to tackle these threats themselves and by providing, as a minimum, initial commercial and legal advice when they need it. In 2017 we added to our list of partners a relationship with the Federation of Small Businesses (FSB), who can support our members with general, non-physiotherapy specific advice.

2

Since 2006 we've been collecting standardised data using a validated tool co-created with the University of Brighton and funded by the Private Physiotherapy Educational Foundation (PPEF). In 2014 we began the task of unstacking that data to provide participating members with their own individual report that enables them to compare their own patient outcomes against our national average. It became even more apparent throughout 2017 how relevant this information is in our marketplace and, by autumn 2017, the number of our members joining our scheme surpassed our predictions for the year, ahead of time.

3

In November 2016 we launched our Quality Assured Practitioner (QAP) scheme. A Physio First member can be determined as having QAP status when they have input sufficient data using our Physio First Data for Impact (Dfi) tool and their data demonstrates meeting the criteria defined, by Physio First, in collaboration with the University of Brighton. The participating member is also required to complete a validated Patient Recorded Outcome Measure (PROM) which will contribute to the overall validation of our data and to use a Patient Recorded Experience Measure (PREM). Congratulations to all the QAPs who have come on board since we launched the scheme.

4

We continue to encourage and deliver member education via our flagship annual conference and quarterly journal, *In Touch*. Advances in technology, and our acknowledgement of the pressures on everybody's time has, however, encouraged us to pause to evaluate the future delivery of our centrally run courses. Education, in its many guises, can now be delivered in many ways, and the unstacked data from our Dfi will enable us to plan and target learning to very specific areas in the future.

5

During 2017 we published two editions of *Update*, our hard copy quarterly newsletter but, in the late summer, we launched our more frequently

published, digital newsletter called *The Core*. We have now produced five editions in this new format and are pleased to report that its reception is above industry standard in both open and click through rates. We can now deliver news more quickly in response to marketplace changes, and our newsletter can be accessed on all devices “on the go”.

6

Our website, relaunched in August 2016, remains a constantly updated source of information and our data measurements of use continue to amaze many advisors and experienced marketeers.

7

Our Chairman and General Secretary continue to be involved in discussions with the most important marketplace stakeholders. We have been reporting throughout the year that it is our evidence-based view that demonstrating “quality” in private physiotherapy will be the new currency and that funders of MSK private physiotherapy treatment are very likely to move towards contracting on measurable quality rather than, as has been the case for some years, just on cost. Physio First is proud to have been involved in a cross-industry working group to examine this. We have worked together with the CSP as their professional network representing private practitioners in this area. Our QAP scheme is highly regarded by some major marketplace players, and our members have talked for years about a desire to be able to differentiate themselves on quality.

8

In our October 2017 strategic facilitation, we recognised what we described as one of our most important assets; our whole *strategically and culturally aligned volunteer and employed team; our written and agreed statement of intent (vision); and our powerful and empowering culture.*

9

In December 2009, we purchased and set up a permanent home with open-plan working, meeting and management space for our empowered, and empowering office team. We are now beginning to learn about and embrace SMARTer (specific, measurable, achievable, relevant and time bound) and more agile ways of working to complement the availability of our volunteer post-holders, and to create a personalised approach to work-life balance. At the end of August 2017, our office team numbered 9.5 full time equivalents (FTEs), made up of eight full-time and three part-time team members, together with our externally based and employed General Secretary. Our overall aim for our office team is to continue to work SMARTer, which has allowed us to evolve to a reduced FTE headcount through natural wastage, as has happened with our executive numbers. Additionally, following our October 2017 strategic facilitation, we are leveraging the fact that members of our volunteer and employed team are capable of coaching others in their areas of experience.

Our business goals for 2018-2020

Our executive and office team work from our detailed business plan and, during October 2017 following another externally facilitated strategic meeting, we signed off our business plan for our next three years. This outlines all activity that is planned outside of our organisation's "business as usual". We have agreed seven new business goals for 2018-2020.

3-year Business Goals	2017	2018	2019	2020
<p>1 To mould our 2017 communication strategy so that we learn to effectively communicate to the majority of our members the value of:</p> <ul style="list-style-type: none"> ▷ trusting Physio First ▷ feeling like a member of a team whose aim is to champion evidence-based, cost-effective private physiotherapy with Physio First members in the changing healthcare marketplace. 	-	-	-	x
<p>2 To make our volunteer structure functional for 2018 and beyond in line with the views and opinions expressed during our executive team's October 2017 strategic facilitation.</p>		x	x	-
<p>3 To formulate a strategic commercial relationship with The Physio Co-op as it develops from a start-up business.</p>		-	-	x
<p>4 To work with the PPEF and our University of Brighton team to actively include:</p> <ul style="list-style-type: none"> ▶ the voice of the patient in the development of the Physio First QAP scheme ▶ identifying Data for Impact evidence to demonstrate ▷ the advantages of Physio First QAPs' contribution to the maintenance of public MSK health ▷ the cost-effectiveness of Physio First QAPs and to publish 			x	x
<p>5 With members and partners, explore the developments of technology likely to affect the delivery of MSK healthcare that might provide marketplace disruptive threats and / or QAP opportunities.</p>		-	-	x
<p>6 To research and, if cogent, establish a viable business case to:</p> <ul style="list-style-type: none"> ▶ facilitate Physio First QAPs to provide third year undergraduate physiotherapy students interested in private practice to gain clinical experience with them ▶ persuade such students to become student members of Physio First and thereafter be listed as contacts for Physio First members to consult about work opportunities 			x	x
<p>7 By 2020, feel confident to be able to reduce our 16-word vision by three words, i.e. to replace "evidence-based, cost-effective" with "quality" so that it reads "Championing quality private physiotherapy with Physio First members in the changing healthcare marketplace".</p>		-	-	x

Reputation

In 2013, as part of our rebranding, we underwent an independent positioning exercise undertaken by Chartered Marketer Laura Pegg, with the aim of understanding just how Physio First was perceived by both internal and external stakeholders. This was followed by the production of our first communication strategy which was signed off in June 2015.

The result of this process was our transformation project, including a full

rebrand, a new interactive website and a focus on streamlining all our strategies. Our executive chose to invest a significant amount of our organisation's reserves to achieve these aims. Our plan for 2017 was to consolidate our finances, and we continue with this aim in 2018. As a result of our latest strategic review and new goals, Laura helped us to update our communication strategy and this was fully completed at the end of 2017. In this we highlighted our intention for new ways of working to include our need to segment our membership in

"IN 2017, WE AGREED OUR FIRST ROBUST SOCIAL MEDIA STRATEGY"

order to understand the needs of members of different ages and levels of engagement. We also agreed our first robust social media strategy. We will be repeating our independent positioning exercise at the beginning of 2019 to ascertain the success of our full transformation project.

Services offered to members

Our Big 5 unique benefits

In 2016 we consolidated Physio First's offering into our Big 5 unique benefits comprising:

1

Get the latest and unique marketplace information

Communicating the latest and private physio specific marketplace information, through our multi-level contact with marketplace stakeholders, and from our Chairman to our members.

2

Benchmark your practice

Benchmarking our practices, by producing member reports that compare turnover, profit, number of partners, employees, self-employed associates, practice management software, etc. through our annual Practice Profiling report.

3

Join our private LinkedIn forum

Access to our private LinkedIn forum, which offers member-to-member peer advice and peer support in a safe, trusted Physio First only environment. Our forum is estimated to be the most active of its type.

4

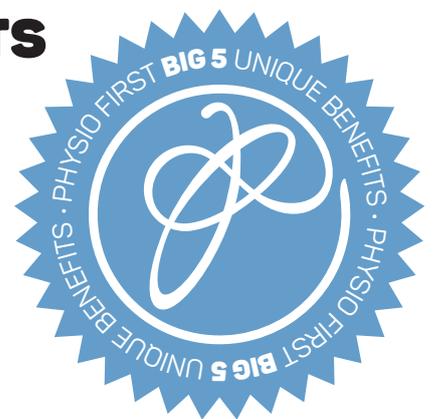
Get Data for Impact reports

Our Data for Impact (Dfi) data collection scheme. This is our members' opportunity to collect patient data, understand our own patient outcomes in comparison to our Physio First national database and, as a result, really appreciate what we and our colleagues do well and where we need to improve.

5

Join our Quality Assured Practitioner scheme

Our trademarked QAP scheme, which delivers independently verified quality assurance, i.e. evidence of our cost effectiveness as a private physiotherapist.



All of our other member services, including legal/commercial advice, our annual conference, quarterly journal, quarterly business newsletter and education programme, serve to deliver or support each of our Big 5 unique benefits.

Transformational partners

Physio First and Blue Zinc have a transformational partnership* which provides unique benefits to our members across the UK. This transformational partnership was a first for both organisations. Using a version of their portal Pronto, Blue Zinc have enabled Physio First members to have an online booking service through the Find a Physio section of our website. This is a new business opportunity, a real convenience for both patients and practitioners, and an opportunity to experiment with our customers' changing, technology driven priorities. We have also collaborated in the nationwide delivery of workshops explaining the effects of the new General Data Protection Regulation requirements to our members.

Strategic commercial partners

As at the end of 2017, we have strategic commercial relationships** with Simplyhealth, Performance Health, Physiotec, Physiotools, Vivomed and Painless Practice.

Collaborative partners

Laura Pegg, Chartered Marketer (We Are Circle) is a collaborative partner who helped us produce our positioning report in 2013, our communication strategy in 2015 and 2017, and our rebrand in 2016. Laura also works closely with our executive and office teams on our regular marketing and communication campaigns.

Independent/self-employed consultants

Jason Pelta (Pages Creative graphic designers), Ian Baughan (Solus IT support), Pixl8 (website support) and MillerTech (MRM support).

* Transformational partnership = having mutual, specifically agreed, high-level strategic objectives that are capable of helping to "transform" both parties

** Strategic commercial relationship = provides sufficient strategic and cultural synergy, resource for Physio First, a mutually agreed realistic commercial outcome for the commercial partner and a benefit for our members

“OUR COMMITMENT IS TO BUILDING PARTNERSHIPS THAT PROVIDE UNIQUE BENEFITS TO OUR PHYSIO FIRST MEMBERS”

Representation

Chartered Society of Physiotherapy (CSP)

Until 2016, Physio First was represented within the CSP through us organising, recruiting and supporting our members to stand for various positions on CSP bodies, and through formal meetings with the CSP management team. This representation is now primarily carried out through relationships with key individuals, i.e. our Chairman with the CSP CEO; our Honorary Commercial Officer with the CSP Director of Communications and our General Secretary with the CSP Head of Practice and CSP professional advisors. During 2017, the CSP underwent a significant governance review which resulted in elections for seats on a much smaller council, moving from a representative model to a leadership model. This was a decision that Physio First publicly supported, as this model is similar to our own; our Physio First executive is an elected body of eight posts and is a strategic decision-making group that works closely with other volunteers, and our full office team.

External marketplace stakeholders

Physio First is primarily represented through our Chairman, Honorary Commercial Officer and General Secretary. This includes at least annual, and often more frequent, meetings with significant marketplace stakeholders such as Bupa, other private medical insurers, our existing and potential strategic partners, private hospitals, the Schoen clinic, the Federation of Small Businesses and other commercial intermediaries and emerging organisations.

The business / trade professional membership organisation sector as we see it

The relentless development in technology and new marketplace-

disruptive businesses has required membership organisations, including within healthcare, to evolve, adapt and embrace this new environment. How to engage generation Y or millennials, i.e. our population born between 1982-1995 who are set to become the majority of the workforce, and whose outlook leaves them less inclined to join organisations, remains a challenge to all.

As part of Physio First's response to this challenge, we are engaged in MemberWise, an association network for membership professionals launched in 2008.

With MemberWise, we are engaged in "the member value project 2025". This project works towards helping organisations understand the difference between member benefits and member value. With it, we aim to identify how the true "value" of membership of Physio First can be measured, e.g. in the advantages members have over non-members in the marketplace, and meet the different expectations of different generations from retirees, to baby boomers, to millennials.

As an organisation, we fully understand that we will need to be SMARTER, nimbler and more flexible in our changing marketplace if our very steady membership numbers are to continue, where other membership organisations will struggle.

“OUR AIM IS TO UNDERSTAND AND MEET THE EXPECTATIONS OF PHYSIO FIRST MEMBERS FROM ALL GENERATIONS”

Description of the Physio First member market

Note: Statistics are analysed from our Physio First MRM, September 2017.

As of 22 February 2018 we had 2,963 members of Physio First, aged between 20-80 years old, all chartered private physiotherapists. To break this figure down further:

- The majority of our members are aged between 30-59 years old, with 12% aged 30-39, 27% aged 40-49 and 38% aged 50-59. The average age of a member is 51 years.

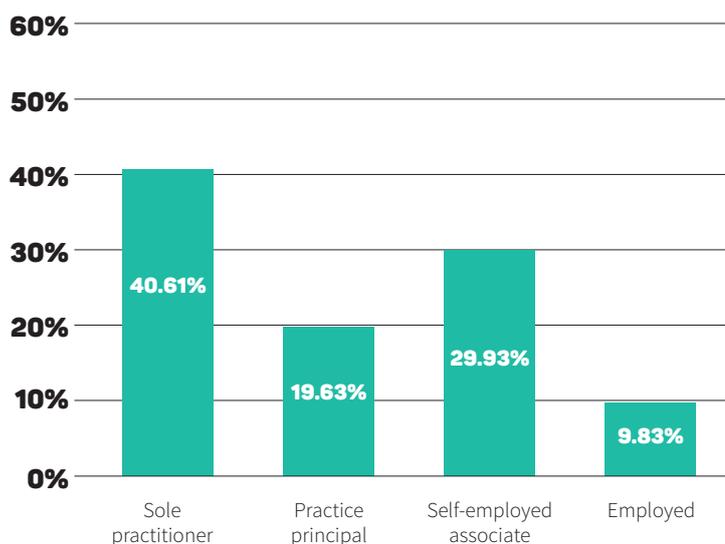
- 20% of members define themselves as practice principals, 41% as sole practitioners and 30% as self-employed associates. Less than 10% are employees.
- Our members are evenly spread around the UK, although Mercia has the highest percentage of members, then followed by London.

- The ratio of male to female members is 28:72.
- 64% of members have been with our organisation for between 11-31 years.
- Colleagues are the main driver of awareness of Physio First, followed by the CSP; 59% of members joined Physio First because of a recommendation, 77% had recommended someone join Physio First.

Employment profile

How would you describe your role?

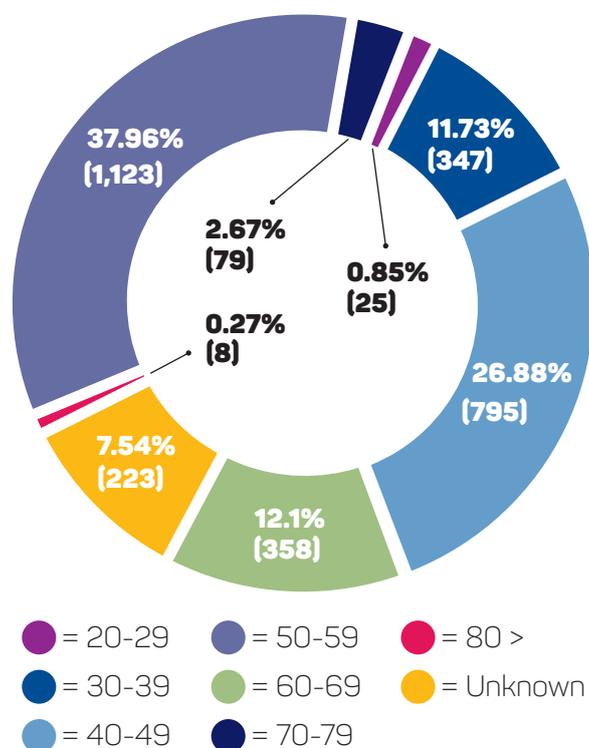
Taken from MRM 22 February 2018



Age range of members

Age range : % of entire membership, (total members)

Taken from MRM 22 February 2018



Embracing the use of technology as a way of working with and developing the role of our volunteers

The RGK Center for Philanthropy and Community Science (Austin, Texas) states:

“Volunteers are an unpaid workforce available to further the goals and to help meet an array of needs in resource-constrained organizations ...” and that they “represent one of the critical competitive advantages of the non-profit sector”.

In short, volunteers are people who are so culturally and strategically aligned that they are prepared to work unpaid for an organisation or cause.

Historically, Physio First members have always put themselves forward to help “run” our membership organisation. Initially, tasks were mainly to do with organising our courses or conferences, and in the production of *In Touch* and

other publications. Membership, and its predecessor, PR, come much later.

As part of our recent strategic development we have consciously made the decision to “stretch our structure”. This means that both our volunteers and employees now work as a full and empowered team. Our office team, under the leadership of our Office Manager Julia, Assistant Manager Donna, and Treasurer Jacqui, have developed, grown and become empowered to learn and work

together with “their” executive member colleagues and sub committees, thus providing our support services and enhancing our operational areas of responsibility.

Another area considered in our strategic development is how the exponential growth of digital communication and the influence of technology has affected all our lives. The changing way in which we communicate is making our lives more “immediate” and fast-paced. Time seems to be everyone’s enemy in a way that it has never been before and we, as an organisation, have realised that we need to embrace this change to keep members engaged and willing to become our volunteer post holders of the future. We have always evolved as an organisation and we will continue to evolve as future changes in our environment take place.

Our Physio First volunteers are the most amazing people. They have stepped up to major roles willingly and with immense enthusiasm. We must ask ourselves, however, whether we will be able to rely on this continuing in our changing world.

There are no easy answers to the conundrum of finding new ways of SMART working, while continuing to engage sufficient members into the heart and future of our organisation. Certainly, better use of technology is

essential. One example is the use of software known as GoToMeeting that enables fewer face-to-face, and thus more resourceful, yet fulfilling meetings.

There is also the exploration of the use of smaller short-life working groups or single-issue meetings that will enable more volunteers to become involved, and to become champions in many different areas of our organisation’s activity.

The Physio Co-op

Our one-day symposium on 31 March 2017 fulfilled our ninth and final goal of our 2013 5-year business plan “*to investigate, so that we are able to understand, explain and judge the:*

– *Potential impact of Co-operatives (i.e. physio owned/controlled business entities)*

– *Elements of real branding (that incorporate measured quality and competence)”*

Delegate feedback on the event, published in our May 2017 *Update*, included a summary from one generous member who, when asked on our LinkedIn forum what she had learned from attending, posted eight points which she considered did her experience of the day justice:

- 1)** [A co-op] has to be based on trust: one man, one vote, no preferential treatment.

- 2)** It has to be between like-minded practices: cultural and strategic alignment.
- 3)** It has to be based on quality; we have to own that before the insurers do but beware that we are not commoditising quality.
- 4)** We cannot have a successful dialogue with the big players when we act as individuals: if you look bigger, purchasers behave differently.
- 5)** We have to be aware of limitations: we still cannot price fix [and] we mustn't overpromise and under-deliver.
- 6)** We can still be independent, but members of the same club.
- 7)** The next steps would be to have a small steering group to work on the scope, legal status and structure.
- 8)** It would be separate to Physio First.

The challenge with our desire “to get on with it” has been to release our General Secretary’s time to do just that, something we in fact could only achieve in February 2018. So, it is rewarding to be able to at last report that the project to deliver a self-owned physio co-op is now up and running.

“OUR PHYSIO FIRST VOLUNTEERS AND EMPLOYEES CONTINUE TO WORK AS A FULL AND EMPOWERED TEAM”

Word cloud produced from our 2017 groundbreaking symposium



Physio First competitive advantages and disadvantages

Our competitive advantages are:

- our volunteer post-holders who are prepared to give up their time, energy and money (TEM) and unite around a goal that gives members the opportunity to embrace our vision and access our Big 5 unique benefits
- our employed office team and our transformational, strategic, commercial and collaborative partners, all with the motivation and empowerment to make sure Physio First succeeds
- our Big 5 unique benefits
- our written-down vision and culture
- our unity, trust and thus empowerment of our whole strategically and culturally aligned volunteer and employed team.

Our competitive disadvantages are:

- our challenges in communicating the value and impact of Physio First to potential members
- our challenges in raising and/or saving sufficient “M” resource to employ and commission the “T and E”, and expertise needed.

The factors that will make Physio First succeed

The overwhelming commitment and resilience of every post holder; employed, self-employed or volunteer and organisational partner to:

- achieve our vision and to not deviate from that strategic marker
- achieve our objective of helping to establish a private practitioner self-owned Physio Co-op
- behave in line with our culture and in our trust in each other, which is the

essence of what melds our employed, self-employed, volunteer and partners into a team

- Strive for absolute efficiency through “linking our thinking” (LOT) wherever possible.

Challenges and strengths

The most significant challenges that Physio First faces now and in the foreseeable future, in no priority order, are in:

- managing our resource, i.e. our TEM so that we have enough to continue to meet our Goals and our vision
- securing succession planning for all volunteer posts in terms of helping to manage their capacity, through a combination of SMARTer working and use of technology, to make roles achievable
- persuading enough current members to engage with our Big 5 unique benefits and our strategic journey, i.e. overcoming apathy and the lack of available time to engage, and in reducing the T and E that members need to find to engage
- persuading self-employed private practitioners (and their employees) who are not members to join Physio First
- finding and helping to establish a legal and robust self-owned business model that can create and then sustain the Physio Co-op for the long-term.

The strengths that members of our executive committee bring to Physio First are:

- passion, intellect, determination, loyalty, energy, enthusiasm, selflessness, willingness to learn new and modern “business fundamentals” and to apply them

- their burning ambition for:
 - ▷ the independence of members to deliver private physiotherapy to the highest standards
 - ▷ like-minded colleagues to be able to demonstrate and articulate quality, which we define as evidence-based cost-effectiveness. In marketplace terms, this is also described as “value”.

Finally, I would like to take the opportunity to thank every single volunteer member who has given up their time, in whatever capacity, to Physio First. Our organisation is for championing private physiotherapy, and the commitment of our volunteers in promoting evidence-based, quality assured physiotherapy that is trusted by our internal and external stakeholders will be key to our continuing to be relevant in our fast-changing healthcare marketplace.

The ongoing evolution of Physio First into a forward-thinking, strategically aware and commercially nimble organisation continues to be a team collaboration. We are sure members would want to join us in thanking our fabulous office team; our Office Manager, Assistant Office Manager, Treasurer and every single and individual office team member who, together, efficiently and enthusiastically support everything we aim to achieve.

We are all Physio First, and it is our own passion for Physio First and what we do that will enable us to face the increasing challenges in our marketplace with confidence. In fact, our aim as an organisation is to not only meet them, but to take the lead on them.

Treasurer's report for the year ended 31 December 2017

Our Treasurer's report aims to identify the major financial matters that have arisen during the year, to review the end of year financial position of our organisation and to look into the future for financial opportunities.

Results for the year

During 2017 we completed our 9 Goals, a whole year ahead of our business plan set in 2013. As a result, we have been able to produce our new 2018 to 2020 business plan which includes further expenditure predominantly around our updated communication strategy. We have also developed and launched our new digital communication tool, *The Core*, enabling us to share our Physio First information, as well as that from the marketplace, more quickly, and to measure member engagement in it.

Massive strides were taken through the year to champion our Quality Assured Practitioner (QAP) scheme to members and the entire healthcare sector; through our participation in the Quality in Private MSK Healthcare Working Group, as well as at individual meetings, and by growing relationships as described in our Chairman's report. We now have nearly 100 QAP accredited members.

Being a "not for profit" organisation with a significant amount of reserves built up over the last 60+ years, our executive committee are tasked with how best to guide our organisation for the long-term benefit of our members, and to establish what investment of our reserves might be required to implement them.

While 2017 resulted in a budget deficit of £65K, our organisation remains financially secure and costs continue to be fully budgeted and controlled. In 2018 we will return to a breakeven level and aim for a small surplus in order to start replenishing our reserves as planned.

Details of our activities in 2017

Membership

Member numbers reduced by 73 in 2017; a far smaller loss than in the previous five years. The reduction is continuing to be addressed in our recruitment and retention project, and in launching our Big 5 unique benefits, all of which have been documented fully in *Update*, *The Core*, and *In Touch* over the past three years. Our position regarding membership recruitment and retention is one that needs to be viewed in the context of the challenges other member organisations face, as described in our Chairman's report.

Major features of our membership results are as follows:

- Our membership subscriptions increased by £46.3K with a small rise of £10 on our subscription fee, and a reduced number of leavers than in previous years.
- Our members' professional indemnity top-up insurance cost £7.9K in 2017. As there have been no claims paid out under this top-up insurance, nor is there any evidence of claims reaching anything close to the CSP's £5m insurance limit, which itself was increased to £7.5m during 2017, the fully researched, evidence-based decision was made by our executive committee to withdraw our Physio First top-up insurance cover as it is not practically required.
- The costs for our Physio First Data for Impact in 2017 were £59.3K, compared to £69K in 2016. This activity is generously funded by the PPEF who granted £71.2K. The difference between the cost and funding relates to VAT. The VAT element is initially funded by the PPEF, and then repaid to them once the extent of what part of it can be recovered from HMRC has been confirmed.
- Attendance at the 2017 International Private Physical Therapist Association (IPPTA) and the World Confederation of Physical Therapists (WCPT) cost

£11.9K, for which the PPEF generously contributed £8.7K towards our delegates' travel and accommodation. The balance of our costs being attendance fees and delegate subsistence.

Conference

The overall result from our 2017 conference was a surplus of £25.7K. This was a decrease compared to £45.7K in 2016. Both surpluses are calculated before allocating administration costs associated in producing such a successful conference. This means that:

- Conference attendees contributed £19.7K less than in 2016. This was in the light of significant competition from other industry conferences during 2017.
- Trade stands contributed £7.9K less than in 2016.
- We reduced the costs of conference by £15.8K on the previous year.

It should be noted that delegates at our 2017 conference contributed a total of £1.9K to the Benevolent Society. Although this was a decrease of £0.7K on 2016, we would very much thank everyone who contributed for their donations.

Education

Our education programme delivered a surplus of £4.6k in 2017. These contributions are also calculated before allocating administrative costs in delivering the programme. Highlights of the results are:

- Course income in 2017 was £39.8k compared to £49.7k in 2016
- 10 courses were run, with none making a loss and no grant received from PPEF
- 13 courses were cancelled due to lack of uptake. Our education team did a brilliant job in limiting the losses from these cancelled courses to £15 in what has become a very difficult marketplace for course delivery, given the volume of options now available.

In Touch

Our *In Touch* publication produced a deficit of £4.4K in 2017, which was reduced to £0.6K after journal subscriptions and the 1.8K grant award from the PPEF for our post conference edition were taken into account.

- Advertising income for the year was £23.1K. This was £4.3K less than that of 2016.
- Insert income increased to £10.4K, from £0 in 2016.
- Costs of production and delivery of *In Touch* increased by £4.4K, from £38.1K in 2016 to £42.5K in 2017. This was a result of our fantastic new style publication, which supports our vision and our QAP scheme.

Grant income

Grants received from the PPEF during the year totalled £96.9K and funded the following activities:

- Data for Impact project – £71.2K
- Website and communication project – £7.1K
- Conference speakers – £8.2K
- IPPTA and WCPT attendance – £8.7K
- *In Touch* publication – £1.8K.

We would like to thank the PPEF for their continued support of Physio First and our activities that help towards the delivery of their charitable objectives.

Commercial income

Commercial and sundry income was received as follows:

- £38.1K, an increase of £25.2K on our 2016 figures. This is due to increased efforts from our commercial team with our transformational and strategic partners.

During 2017 we have been developing new transformational and strategic partnerships with culturally and strategically aligned organisations to enable us to deliver our vision, and this will continue throughout 2018.

Central costs

The total costs of running our organisation were £702.7K, compared with £757.2K in 2016. This is a saving of £54.5K. The analysis of the change in our costs between the two years shows the following:

- Depreciation increased by £20.5K from previous levels. This was attributed to the investment in our new website and the figure is calculated over a five-year period.
- VAT write-off decreased by £23K in the year, again due to our 2016 investment in our website and marketing projects.
- Computer and website cost increases of £9.4K represent hosting and support of our new website.
- Marketing costs reduced by £33.1K to £15.7K. Again, this reflected the spend in 2016 being due largely to the delivery of our new website and communication project.
- A review of our office team business priorities, combined with natural attrition resulted in a reduction of £9.5K for salaries and training in our secretarial costs. This review process will be carried on into 2018.
- Meeting costs were reduced by £15.8K in 2017, thanks to careful monitoring of the requirements of all attending delegates, and by moving some meetings to an electronic format with our greater use of a software meeting package called GoToMeeting. Further cost reductions are planned for 2018, with meetings being increasingly held in this way.

Balance sheet

At the end of December 2017 our reserves were £157.5K. This is down from £222.5K at the end of 2016 and is a reduction that our executive committee had planned for. At the end of the year our bank balance was £49.4K.

There were fixed asset purchases of £13.2K during the year, and £3K disposals.

2018 will see Physio First continuing on our 3-year strategic journey. We plan to continue to invest all our efforts in the future of our organisation and the goals we have set, while ensuring our financial stability. This planning has led to our executive committee budgeting for an approved surplus of £45.8K for the coming year.

As Treasurer, I have continued to ensure tight control over our members' funds, supported fantastically by Caroline Coxon, our Accounts Administrator. My thanks go to Caroline for her hard work, along with the rest of our office team who pull together to produce amazing results.

Looking forward, 2018 will bring new challenges ahead of Brexit, and I hope that together we can prosper and continue to champion private physiotherapy in an ever-changing healthcare marketplace.

JACQUI WEBB | TREASURER

Physio First Annual Report for the year ended 31 December 2017

Executive committee's responsibilities for the year ended 31 December 2017

The executive committee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The executive committee is required to prepare financial statements which give a true and fair view of the state of affairs of the organisation and of the income and expenditure of the organisation for that period. In preparing those financial statements, the executive committee is required to:

- select suitable accounting policies and apply them consistently;
- 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 organisation will continue in business.

The executive committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation. It has a general responsibility for taking reasonable

steps to safeguard the assets of the organisation and to prevent and detect fraud and other irregularities.

Each member of the executive committee has taken steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the organisation's auditors are aware of that information. The executive committee confirms that there is no relevant information that they know of and which they know the auditors are unaware of.

By order of the executive committee.



P. SIMPSON | CHAIRMAN



J. WEBB | TREASURER

Independent Auditors' Report to the members of Physio First

Opinion

We have audited the financial statements of Physio First for the year ended 31 December 2017 which comprise an Income and Expenditure Account, a Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including Financial Reporting Standard 102 Section 1A *The Financial Reporting Standard applicable in the UK and Republic of Ireland Section 1A* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the organisation's members, as a body. Our audit work has been undertaken so that we might state to the organisation'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 organisation and the organisation's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 December 2017 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)). 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 organisation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the executive committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the executive committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the organisation's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The executive committee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the committee of management

As explained more fully in the executive committee's responsibilities statement, set out on page 14, the executive committee is 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 it determines 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 committee of management is responsible for assessing the organisation'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 committee of management either intends to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide

a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DAVID OWENS

SENIOR STATUTORY AUDITOR

For and on behalf of:

**Hawsons Chartered Accountants
Statutory Auditor
Jubilee House
32 Duncan Close
Moulton Park
Northampton
NN3 6WL**

 **Physio First**
Income and expenditure account
For the year ended 31 December 2017

	Notes	2017 £	2016 £
Net Income	2		
Conference		25,725	45,689
Education		4,598	6,852
Grants Received (gross)		102,895	148,080
Membership		470,358	424,072
Publications		(4,392)	(6,281)
Trade Commissions and Administration Fees		38,140	12,935
Investment Income (gross)	4	321	2,733
		637,645	634,080
Central Costs			
Office Costs		5,732	7,886
Depreciation		57,710	37,211
Maintenance		3,070	1,772
Finance Costs		55,995	76,048
Computer Costs		23,636	14,219
Postage, Stationery and Telephone		13,200	17,688
Professional Fees		64,469	94,678
Rent and Rates		15,596	16,212
Secretarial Fees and Expenses		366,826	376,359
Travel		38,622	41,659
Utilities		6,603	6,481
Meetings		51,211	67,002
		702,670	757,215
Net Deficit transferred to reserves	5	(65,025)	(123,135)

Physio First
Balance Sheet
As at 31 December 2017

	Notes	£	2017 £	£	2016 £
Fixed assets	6		442,366		486,918
Current assets					
Debtors and prepayments	8	12,359		21,975	
Cash and bank balances		49,365		64,335	
		<u>61,724</u>		<u>86,310</u>	
Creditors – amounts falling due within one year					
Creditors and accruals	9	296,577		350,690	
		<u>296,577</u>		<u>350,690</u>	
Net current liabilities			(234,853)		(264,380)
Total assets less current liabilities			<u>207,513</u>		<u>222,538</u>
Creditors – amounts falling after more than one year					
Other creditors	10		(50,000)		
Net assets			<u>157,513</u>		<u>222,358</u>
Accumulated fund					
Balance brought forward			222,538		345,673
Deficit for year			(65,025)		(123,135)
			<u>157,513</u>		<u>222,538</u>

The financial statements on pages 17 to 24 were approved by the executive committee and were signed on its behalf by:

P. J. Simpson

P. SIMPSON | CHAIRMAN

J. Webb

J. WEBB | TREASURER



Physio First

Notes to the financial statements

For the year ended 31 December 2017

1. Accounting policies

Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard section 1A (effective January 2016).

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Office equipment	10% - 25% straight line
Computer equipment	33% - 50% straight line
Freehold property	2.5% straight line

Depreciation commences from the date of purchase of the assets.

Income

Gross income (note 2) represents the value of goods and services provided during the year and are recognised when the organisation is entitled to receive it. Subscription income is matched to the period to which it relates.

 **Physio First**
Notes to the financial statements
For the year ended 31 December 2017

2. Analysis of income

	2017 £	2016 £
Conference		
Gross Income	112,940	93,718
Expenses	(87,215)	(48,029)
Net Income	25,725	45,689
Education		
Gross Income	39,785	49,722
Expenses	(35,187)	(42,870)
Net Income	4,598	6,852
Grants		
Gross Income	102,895	148,080
Expenses	-	-
Net Income	102,895	148,080
Membership		
Gross Income	581,319	559,950
Expenses	(110,961)	(135,878)
Net Income	470,358	424,072
Publications		
Gross Income	38,148	31,909
Expenses	(42,540)	(38,190)
Net Income	(4,392)	(6,281)
Commercial and sundry income		
Gross Income	38,140	12,935
Expenses	-	-
Net Income	38,140	12,935
Benevolent Society Contributions		
Collection at conference	1,850	2,872
Payment to Benevolent Society	(1,850)	(2,872)
	-	-

 **Physio First**
Notes to the financial statements
For the year ended 31 December 2017

3. Staff numbers

The average number of persons employed by the organisation during the year was as follows:

	2017	2016
	No.	No.
Employees	14	15

4. Interest received

	2017	2016
	£	£
Bank interest	321	2,733

5. Net Deficit

	2017	2016
	£	£
The net deficit is stated after charging:		
Auditor's remuneration	4,500	4,500
Depreciation	57,710	37,211
Committee expenses	51,211	67,002

 **Physio First**
Notes to the financial statements
For the year ended 31 December 2017

6. Fixed assets

	Freehold Land & Buildings £	Office & computer equipment £	Total £
Cost			
As at 1 January 2017	360,946	338,458	699,404
Additions	-	13,158	13,158
Disposals	-	(3,008)	(3,008)
As at 31 December 2017	<u>360,946</u>	<u>348,608</u>	<u>709,554</u>
Depreciation			
As at 1 January 2017	47,677	164,809	212,486
Charge for year	6,811	50,899	57,710
Eliminated on disposal	-	(3,008)	(3,008)
As at 31 December 2017	<u>54,488</u>	<u>212,700</u>	<u>267,188</u>
Net book value			
31 December 2017	<u>306,458</u>	<u>135,908</u>	<u>442,366</u>
31 December 2016	<u>313,269</u>	<u>173,649</u>	<u>486,918</u>

 **Physio First**
Notes to the financial statements
For the year ended 31 December 2017

7. Investments

Members of the executive committee hold the ordinary shares in the dormant companies Network First Centres Limited and Physio First Limited. These were fully impaired in 2006 and have a carrying value of £nil.

8. Debtors

	2017 £	2016 £
Trade debtors	3,071	9,359
Prepayments	9,288	12,616
	<u>12,359</u>	<u>21,975</u>
	=====	=====

9. Creditors due within one year

	2017 £	2016 £
Trade creditors	32,591	38,214
Other creditors	405	50,959
Advanced subscriptions	146,834	143,316
Income received in advance	99,236	98,995
Accruals	4,907	5,320
Taxation and other social security	12,604	13,886
	<u>296,577</u>	<u>350,690</u>
	=====	=====

10. Creditors after one year

	2017 £	2016 £
Other creditors	50,000	-
	<u>50,000</u>	<u>-</u>
	=====	=====

 **Physio First**
Notes to the financial statements
For the year ended 31 December 2017

11. Operating lease commitments

The total future value of minimum lease payments is as follows:

	2017	2016
	£	£
Not later than one year	7,157	6,888
Later than one year and not later than five years	505	-
	<u>7,662</u>	<u>6,888</u>
	=====	=====

12. Related party transactions

During the year committee members were paid £51,211 (2016: £67,002) to attend the committee meetings. At the year end the amounts owed to committee members were as follows:

	2017	2016
	£	£
P. Simpson	3,638	5,118

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CHAMPIONING PRIVATE PHYSIOTHERAPY