

Company Registration Number 03052242

Charity Number 1046624

HORDER HEALTHCARE
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021

HORDER HEALTHCARE

LEGAL AND ADMINISTRATIVE INFORMATION

Board of directors

The directors who served during the period were:

Dr C E Bell
Mrs R Cunningham Thomas
Mr S L Dance (Chair)
Mr P A Flamank
Mrs J Grover (nee Ebert)
Mrs A L Parker
Mr P J Soer (resigned 28 January 2021)
Mr J W Turner
Dr R J Tyler (Chief Executive)
Dr D W Yates

Company secretary

Mr H I Hatfield

Chief executive

Dr R J Tyler

Honorary President

Mr S C Gallannaugh

Registered office

The Horder Centre
St John's Road
Crowborough
East Sussex
TN6 1XP

Professional advisor

The charity's principal professional advisors include the following:

Bankers

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Independent auditor

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Solicitor:

Cripps Pemberton Greenish
Number 22
Mount Ephraim
Tunbridge Wells
Kent
TN4 8AS

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BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

The Directors (who are also trustees of the charity for the purposes of the Charities Act) present their annual report together with the audited consolidated financial statements of Horder Healthcare (the Company) for the year ended 30 June 2021. The Board of Directors confirm that the Annual Report, which includes the Strategic Report, and financial statements of the Company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", (as amended for accounting periods commencing from 1 January 2019). The report and statements also comply with the Companies Act 2006 as Horder Healthcare is a company limited by guarantee.

Status

Horder Healthcare is a charity, founded in 1954, and operates two acute hospitals – The Horder Centre in East Sussex, a renowned provider of orthopaedic and musculoskeletal (MSK) services, and The McIndoe Centre in West Sussex, which focuses on plastic reconstructive and ophthalmology services. Services at The Horder Centre are supported by clinics located in Seaford and Eastbourne.

Horder Healthcare is a charitable company limited by guarantee established under a Memorandum of Association and governed by its Articles of Association. Horder Healthcare has two wholly owned subsidiary companies:

McIndoe Healthcare Services Limited

Prior to the acquisition of The McIndoe Centre in 2015, the previous owners of The McIndoe Centre had registered a number of companies in order to protect the McIndoe name – McIndoe BVI Limited, McIndoe Consultants Limited, McIndoe Cosmetic Limited, McIndoe Eyes Limited, McIndoe Hospital Limited, McIndoe International Limited and McIndoe TV Limited. Horder Healthcare brought these together under the umbrella of McIndoe Healthcare Services Limited (Company Registration Number 09846138), which was incorporated on 28 October 2015. The intermediate holding company and the seven subsidiary companies remain dormant and non-trading.

Horder MSK Limited

Horder MSK Limited (Company Registration No. 09182301) was incorporated on 19 August 2014. Horder MSK Limited participates in a not for profit consortium comprised of Sussex Community NHS Foundation Trust, Care Unbound Limited (trading as Here) and Sussex Partnership NHS Foundation Trust. The consortium (Sussex MSK Partnership) was formed to provide musculoskeletal services to the Clinical Commissioning Groups of Central and East Sussex.

Horder MSK Limited holds a 50% share in a joint venture, SMSKP2 Limited, that holds the head contract to provide MSK services to the East Sussex CCGs of High Weald Lewes Havens and Eastbourne Hailsham & Seaford.

Based on this, these financial statements consolidate the results of the charitable company and of its wholly owned subsidiary Horder MSK Limited on a line by line basis together with its joint venture SMSKP2 Limited using the Equity method.

Objective

Horder Healthcare's charitable purpose is to advance health, and the relief of patients suffering from ill health. Its mission is to be a leading provider of high quality healthcare services, demonstrably improving patients' health and striving to make a positive difference to people's lives. The Charity's vision is to demonstrate its purpose through the provision of outstanding healthcare, and support to the wider community through investment in training, research and community wellbeing.

The Directors have referred to the Charity Commission's general guidance on public benefit when reviewing the Company's vision and objectives and in planning future activities. In particular, the Directors consider how planned activities and the management of resources will provide maximum 'benefit'.

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BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Board of Directors

Under the Articles of Association, the Board of Directors (the Board) is elected by a vote of the current members.

The members of the Board who served during the year are set out on the Legal and Administrative Information page at the front of these financial statements.

In accordance with the Articles of Association, at the General Meeting on 28 November 2020 Dr R J Tyler, Mr P J Soer and Mrs R Cunningham-Thomas retired from the Board and being eligible were re-elected. Mr Soer subsequently retired in January 2021.

Mrs A L Parker, Mr J W Turner and Dr D W Yates will retire by rotation at the next General Meeting and being eligible offer themselves for re-election. Mr P A Flamank will retire on or before the 8th March 2022, being the anniversary of his maximum term of nine years as a Director and not eligible for reselection.

Directors and governance

Appointment, training and induction

The Board may appoint replacement or additional directors at any time. There is a detailed Recruitment Policy in place, which describes the process for publishing the vacancy, the interview and selection process, and the steps taken prior to the new Director taking up their role. These include the completion of a Disclosure and Barring Service (DBS) check; completion of a 'Fit and Proper Person' Self-Declaration; and checks of the Bankruptcy Register, the Disqualified Directors' Register and the Register of Removed Trustees. Satisfactory references are also sought.

New Directors undergo a comprehensive induction, which includes time spent at each Horder Healthcare site, meetings with members of the Executive Team and the provision of an induction 'pack' of background and guidance documents, including those relevant to a registered charity.

Training to enhance skills and knowledge is encouraged for all Directors. Details of trustee training courses (new and refresher) are circulated together with other topics of interest.

The Board meets formally usually up to nine times a year in addition to the General Meeting, a strategy/planning day and any ad-hoc workshops and meetings. Meetings continued throughout the Covid-19 pandemic albeit on a 'remote' basis, utilising Microsoft Teams. It is hoped that meetings will be able to revert to 'in person' towards the end of 2021.

The Board is responsible for setting strategy and ensuring resources to achieve those strategic aims; monitoring the performance of the Executive Team; and overseeing and ensuring that robust governance and risk management systems are in place.

Board Committees

In addition to the Board meeting there are Remuneration, Finance and Resource, Audit and Clinical Governance committees in place which meet up to four times a year, each working within a constitution agreed by the main body.

Executive Management

The Board has appointed a senior Executive Team to manage the activities of the Charity and to ensure that the Charity's operational plans are implemented. The Board has established a framework of delegated authority levels for these officers.

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Directors' Insurance

Horder Healthcare maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the charitable Company based on the indemnity limit of £10,000,000. The total premium paid during the year in relation to this policy was £8,916.

Strategic Report

Our Performance

2020/21 was dominated by the ongoing challenges of Covid-19. The Charity remained under the original Covid-19 NHS contract from 1 July to 31 December 2020. This was superseded by a new NHS contract which came into effect on 1 January 2021 and continued until 31 March 2021. Finally, there was a return to pre-Covid-19 trading conditions with effect from 1 April 2021, which continued for the balance of the financial year ending 30 June 2021. It should be noted that these contracts applied only to in-patient acute services. Community based musculoskeletal services (MSK) continued to be funded by local commissioners for the entirety of 2020/21.

In these circumstances, the overriding priority remained the safe provision of high quality services. Considerable effort was required to ensure that both the Horder Centre and the McIndoe Centre provided safe, Covid-19 free, environments. Additional detail is provided within the risk section of this report, but specific measures included:

- A COVID-19 management policy was developed and implemented.
- All practices were reviewed and standards were maintained throughout in line with national guidance.
- Clinical staff received additional training in the use of Personal Protective Equipment, donning and doffing.
- Staff screening was undertaken with the Infection Prevention Control Nurse supporting the Human Resources team with individual assessments.
- PCR screening for frontline staff was implemented with screening for patients becoming part of a routine pre-assessment process.
- Staff who reported Covid-19 positive were supported with regular welfare checks and advice.

These measures enabled the Charity to continue to provide its full range of existing services. By the end of 2020/21, 5,671 procedures had been performed; 21,259 outpatient consultations undertaken; and 19,152 physiotherapist and extended scope practitioner appointments held (including attendances at health and fitness classes), across Horder Healthcare's four locations in Crowborough, East Grinstead, Eastbourne and Seaford.

As well as ongoing service provision, the Charity has continued to deliver a high quality of service throughout 2020/21 with some of its key achievements including:

- Maintaining an "Outstanding" Care Quality Commission (CQC) rating for The Horder Centre, and a "Good" rating for The McIndoe Centre.
- Maintaining VTE (venous thromboembolism) exemplar status at The Horder Centre.
- 99% of patients rated their experience with Horder Healthcare as excellent or very good.
- 99% of all patients were likely or very likely to recommend Horder Healthcare to friends and family.
- Our MSK service has introduced First Contact Practitioners, advanced physiotherapists working alongside GPs in their practices, managing patients presenting with musculoskeletal problems where previously they would have needed to be seen by a GP.

The information above has been extracted from Horder Healthcare's Quality Account for 2021. A copy of this report, which contains more information about all of the above achievements, is available from our website at <https://www.horderhealthcare.co.uk/media/3704/horder-healthcare-quality-account-2021.pdf>

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Key Performance Indicators

Horder Healthcare monitors its performance using a wide range of indicators from across the business. As a healthcare provider, these include quality and outcome measures, as well as financial indicators. An example of these is shown below, with additional quality indicators included in the previous section of this report.

The cessation of routine activity during March 2020 due to Covid-19 makes a year-on-year comparison difficult. The impact of the Covid-19 pandemic continued to be felt throughout the whole of the subsequent year, as detailed above, with the significant drop in Physiotherapy Appointments and Health & Fitness Class Attendances entirely due to the pandemic. Whilst contracts were maintained throughout 2020/21, the MSK team had a period of furlough between June and August 2020 followed by a period of flexi-furlough until November 2020. This reflected the activity based nature of the contract, with lower levels of activity arising from community based Covid-19 restrictions. Health and Fitness classes were resumed virtually in October 2020, with face-to-face classes being reintroduced from August 2021.

Nevertheless, the Charity continues to be a significant provider of both elective surgery and physiotherapy and maintains an excellent patient satisfaction rate.

	2020/21	2019/20*	2018/19
Activity			
Number of Procedures	5,671	6,099	6,874
Outpatient Consultations	21,259	20,856	23,512
Physiotherapy Appointments	19,086	27,411	28,116
Health & Fitness Class Attendances	66	17,813	18,027
Quality			
Patient Satisfaction Rate	99%	100%	99%
Friends & Family Recommendation Rate	99%	99%	99%
Financial			
Total Income	£33.4m	£29.2m	£29.2m

**Activity and Quality figures for the 9 months to 31 March 2020, due to Covid-19*

Principal Risks and Uncertainties

Horder Healthcare recognises that risk management is an integral part of good management practice and is part of the organisation's culture. The Board has overall responsibility for ensuring systems and controls are in place, sufficient to mitigate any significant risks which may threaten the achievement of Horder Healthcare's organisational objectives.

In addition, the Board has appointed Crowe (UK) LLP to fulfil the internal audit function and undertake periodic reviews in line with a programme of internal audits determined by the Audit Committee. Reports are issued to and reviewed by the Audit Committee. During 2020/21 this included a review of our risk management processes.

Assurance is the bedrock of evidence that gives confidence that risk is being controlled effectively, or conversely, highlights that certain controls are ineffective or there are gaps that need to be addressed. It is important therefore that the scope of the assurances is set in the context of the organisation's strategic objectives:

1. Safe
2. Solvent
3. Sustainable

All staff have a responsibility for identifying actual or potential hazards and risks and reporting/escalating issues in accordance with the Risk Management Policy and Horder Healthcare's Incident Reporting Policy. Within Horder Healthcare, strategic risks are identified by the Board and Executive through horizon scanning and a risk review against each year's identified strategic objectives.

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Operational risks are identified from incidents or near misses reported on the Datix risk management system or from internal audits (e.g. health and safety, infection control), external audits (e.g. CQC, CCG, PLACE etc.) or risk assessments.

All risks have 'controls' and 'assurances' recorded against them, or have plans to put them in place. These are reviewed regularly by the Executive team, by the Senior Management Team on a monthly basis and also by the Board.

Horder Healthcare has identified a number of key risks this year both internally and from the external environment. The Covid-19 pandemic has been the main risk to activity at Horder Healthcare during this year. We have mitigated our risk by maintaining 'blue' and 'green' pathways for clinical care. Testing of both patients and staff has provided assurance that our sites remain alert to individuals who may pose a risk.

Activity at The McIndoe Centre increased due to the transfer of NHS trauma activity from Queen Victoria Hospital NHS Foundation Trust in East Grinstead, whilst The Horder Centre experienced reduced activity after undertaking fractured neck of femur cases from Maidstone and Tunbridge Wells NHS Trust. These changes and the pandemic also created a staffing welfare risk and staff working in the clinical environments during these times found work challenging from a mental health perspective. Staff vaccination has been key in reducing our risks associated with staff sickness as a result of contracting Covid-19.

Another key risk internally remains the lack of availability of clinical staff for recruitment. Although this has been well managed and safe staffing levels maintained, the use of agency staff poses a risk to the quality of care we are able to deliver and this remains a significant risk for the future.

The most significant risk to have impacted the organisation towards the end of this reporting period is our ability to return to 'normal' activity following the end of the NHS contracts linked to the Covid-19 pandemic. While the country reduces restrictions on the public, restrictions within the hospital setting have not changed, this has the risk of impacting on our ability to return to full capacity at pre Covid-19 levels. Changes in the make-up of the virus and the potential for a third wave pose a risk to activity if staff and patients require isolation.

Despite the disruption caused to the organisation as a result of the pandemic, focus has been maintained on risk management processes and controls.

Financial review

As has been noted above, 2020/21 was dominated by the continuance of the original Covid-19 NHS contract, and its subsequent replacement with a new NHS contract. The budget for 2020/21 was set whilst the Charity remained under the original NHS contract and national negotiations were underway to vary the original terms. Under the circumstances, a decision was taken to roll-forward the 2019/20 expenditure budgets with a plan to achieve an in-year break-even position in line with the 2019/20 outturn. This, in turn, reflected contractual limitations on the organisation's ability to generate private income, along with considerable uncertainty as to a potential second or third Covid-19 wave.

Subsequent contract revisions did enable the organisation to undertake some private activity although this was limited by the need to maintain a safe Covid-19 environment as detailed above. Activity was also restricted over the December to January period as the second wave of Covid infections impacted on access to critical care beds.

The return to pre-Covid-19 trading terms in April 2021 was marked by a steady increase in activity, subject to continuing Covid-19 restrictions. A considerable backlog of NHS elective orthopaedic activity, accumulated during the period of the NHS contract, coupled with suppressed levels of private patient demand, saw a return to near pre-Covid-19 levels of activity across both of our hospitals.

In the midst of this considerable uncertainty, it was very pleasing that the Charity achieved a surplus of £915,000. This included Furlough income of £151,000. This reflects both the ongoing cost-

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containment measures introduced as part of the original five year recovery plan presented to the Board in July 2018, and the steady increase in activity undertaken in the final three months of the financial year.

Horder Healthcare has a wholly owned subsidiary, Horder MSK Limited. Horder MSK Limited has a 50% share in a joint venture, SMSKP2 Limited. SMSKP2 Limited holds the head contract to provide MSK services to the East Sussex CCGs of High Weald Lewes Havens and Eastbourne Hailsham & Seaford. Horder Healthcare, through Horder MSK Limited, shares the risk and reward in this contract with its Joint Venture partner.

The East Sussex MSK contract was awarded for five years with effect from April 2015. Under the terms of the contract, commissioners retained the option to extend the contract for a further two years from April 2020. In March 2019, commissioners offered SMSKP2 Limited a two year contract extension which was subsequently accepted. The contract will therefore run until March 2022. During 2020/21, commissioners indicated a willingness to extend the contract for a further 12 months, running until March 2023. The proposed contract terms mitigate risks arising from the Covid-19 accumulated NHS backlog, and the joint venture company has agreed to this further extension.

The aggregate amount of capital and reserves and the results of the joint venture for the last relevant financial year were as follows:

	Capital and reserves 2021 £	Profit for the year 2021 £
SMSKP2 Limited	58,814	37,065

The results of Horder MSK Limited have been consolidated into the Horder Healthcare financial statements on a line by line basis and those of the joint ventures accounted for using the Equity method

Future Developments

2021/22 will continue to be shaped by the national post Covid-19 recovery programme. As noted above, NHS waiting lists have grown considerably during the Covid-19 period and there is an appropriate focus on ensuring that these patients are treated equitably in respect of both clinical urgency and length of wait. The initial focus will be on those patients already on the Horder Centre waiting list. However, there are likely to be further NHS waiting list initiatives, and the Charity is well placed to bid for this work as it becomes available. Similarly, there is growing evidence of suppressed private patient demand and both the Horder Centre and the McIndoe Centre are well placed to benefit from this.

Operationally, we remain focused on financial improvements and longer-term sustainability. Capital investments will continue to reflect a balanced approach to maintenance, improvement and service transformation. Investment in IT and the estate will ensure that key elements of our infrastructure remain fit for purpose, whilst 2021/22 will see a significant investment in digital technology as phase one of a wider digital transformation programme gets under way.

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Pay policy

The Remuneration Committee determines remuneration policy and practices with the aim of attracting, recruiting, motivating and retaining high calibre people. The Remuneration Committee makes reference to the external market ensuring that it is working within a framework which is legal, transparent, competitive, fair, affordable and providing value for money for the charity. The Remuneration Committee ensures that there is a clear link with performance. The Charity considers its key management personnel to be its Board of Directors and Senior Executive team. The remuneration for key management personnel is set annually in accordance with the pay policy, with any changes taking effect from 1 July each year.

Reserves policy

Horder Healthcare's consolidated funds at June 2021 amounted to £64.9m of which £55.4m is represented by buildings, other fixed assets and restricted funds, leaving unrestricted funds of £9.5m of which £1.7m has been designated for capital expenditure. Horder Healthcare's consolidated free reserves were therefore £7.8m, which is equivalent to over four months of fixed costs. This level is considered to fall within a range acceptable to the Board. The charity's own funds as set out in the financial statements amount to £64.8m.

Horder Healthcare needs reserves to provide resilience if faced with a significant downturn in income or other adverse events. In considering the level of free reserves it should hold, it has regard to the future operating results adjusted for downside risk. It models the effect of possible reductions in income on gross contribution, particularly having in mind the continuing challenges facing the NHS on which Horder Healthcare depends for 72% of its income. In the longer term, it also needs to have free reserves to enable it to invest in its infrastructure and the development of its business.

Horder Healthcare reviews its reserves policy at least once a year.

Investment policy

Horder Healthcare's Finance and Resource Committee (FRC) has responsibility for the development of an investment policy and the management of Horder Healthcare's investments, within the investment policy framework set by the Board. In discharging these responsibilities, the FRC considers:

- The charity's attitude toward risk, investment returns and volatility
- Types of investments, including ethical considerations
- The management of investments e.g. setting benchmarks and targets by which investment performance will be judged
- The authorisation of investment decisions.

As a result of the Board's cautious appetite towards financial risk, at the end of the 2018/19 financial year the decision was taken to withdraw investments held by investment managers. Since 2019/20, these funds have been held in a bank deposit account and are subject to a Board-level agreed protocol for the use of the funds.

The Finance and Resource Committee continues to monitor the organisation's investment requirements, in accordance with the investment policy, and makes recommendations to the Board at least once a year.

Financial instruments

The Charity operates on normal commercial terms with its suppliers and patients who are all in the UK.

The Charity operates in credit in its transactions with the Bank and thus is not exposed to interest rate risk with any borrowings from that source.

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Stakeholder Engagement (Section 172(1) statement)

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way that they consider, in good faith, would be most likely to promote the success of the Charity to achieve its charitable purpose, which includes having regard to all stakeholders.

We identified the most important stakeholders based on past stakeholder communications. The table below sets out our approach to stakeholder engagement during 2020/21:

Stakeholders	Why are they important to Horder Healthcare	What is Horder Healthcare's approach to engage with them
Employees	Employees are our most valuable asset. Our people's commitment is essential for us to deliver on our vision and mission as an organisation.	<ul style="list-style-type: none">• Monthly 'breakfast with the boss' sessions, an opportunity for staff at all levels within the organisation to meet informally with members of the Executive Team and discuss all aspects of the business. These were put on hold during the Covid-19 pandemic in order to maintain the safety of our staff but will be reinstated late in 2021;• Quarterly formal 'all staff' CEO briefing sessions;• Twice-weekly 'Covid-19' updates during the height of the pandemic, together with regular 'pulse' surveys. The annual 'Engagement Survey' will be reintroduced in 2021/22.• Structured annual appraisal programme;• Structured statutory and mandatory 'all staff' training programme;• See also 'employee involvement' section of this report, below.
Patients	Delivering the highest standards of care to our patients is central to our vision and mission as an organisation.	<ul style="list-style-type: none">• Bi-annual patient forum;• Regular patient surveys;• Utilisation of PROMs data to drive service improvement;• Utilisation of clinical audit data to drive service improvement.
NHS Commissioners	The NHS accounts for over 70% of our income. Maintaining good relationships is key to securing this income stream.	<ul style="list-style-type: none">• Regular formal contract meetings;• Informal meetings with key commissioners;• Membership of the NHS 'getting it right first time' (GIRFT) initiative.
Private health insurers (PMI)	PMI constitute a growing income stream which is increasingly important to the business.	<ul style="list-style-type: none">• Quarterly contract meetings with top three PMI providers.
NHS Providers	Working closely with NHS providers reaffirms Horder Healthcare's position within the local health economies in which it operates.	<ul style="list-style-type: none">• Ongoing informal contacts at CEO and Executive level.

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Stakeholders	Why are they important to Horder Healthcare	What is Horder Healthcare's approach to engage with them
Independent Sector (IS) Providers	Working closely with IS providers at an industry level helps to shape the industry response to national health initiatives and ensure Horder Healthcare issues are fully represented.	<ul style="list-style-type: none">• CEO is an elected member of the Independent Healthcare Providers Network (IHPN) strategic council;• Horder Healthcare executives sit on various IHPN working groups.
Regulators	Horder Healthcare is regulated by the Charity Commission and the Care Quality Commission (CQC).	<ul style="list-style-type: none">• Annual regulatory review and gap analysis by Board of Trustees;• Regular formal and informal contact with CQC inspectorate.
Consultants	Having good working relationships with our consultant body allows us to deliver the best patient care.	<ul style="list-style-type: none">• Quarterly Medical Advisory Committee meetings• Biennial review meetings with each consultant• Specialty based meetings with plastics and ophthalmology• Engagement of consultants in hospital clinical governance meetings and morbidity and mortality meetings• Consultant representation in specific organisational projects.
Key Suppliers/Contractors	Building and developing good relationships with our key suppliers supports the delivery of our services.	<ul style="list-style-type: none">• Regular Joint Service Review meetings.

Employee involvement

During 2020/21, rather than conduct a single, annual staff survey, in view of the impact on all staff as a result of the Covid-19 pandemic, Horder Healthcare conducted regular Covid-19 specific surveys, which produced the following highlights:

- 92% of staff felt confident in the Horder Healthcare leadership team to make the right decisions to manage through the crisis.
- 86% of staff felt that their line manager helped them to adapt to organisational changes throughout Covid-19
- 88% of staff felt they had the right resources and benefits from Horder Healthcare to support them through the Covid-19 pandemic.
- As a result of feedback, during the height of the pandemic the leadership team communicated with the workforce twice weekly, supported by regular ad hoc updates at departmental level.

2020/21 saw a significant focus on colleagues' health and wellbeing. During and following the Covid-19 pandemic, the aim was to support all colleagues, whether attending work 'as normal', working from home, on furlough or those who were shielding. For any individual who was absent from their usual workplace for a period of time, a 'return to work' plan was put in place to give them the support and tools to return to work safely. Supporting the mental health and wellbeing of our colleagues featured strongly during the year and continues to do so. A monthly health and wellbeing calendar was introduced, with a wide range of initiatives to support all colleagues. In addition, Horder Healthcare trained over twenty Mental Health First Aiders and increased the number of Speak up Guardians.

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Disabled persons

Horder Healthcare employs disabled persons when they are suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. Managers work closely with the organisation's Occupational Health provider so that if an employee becomes ill or disabled while working at Horder Healthcare they can, where possible and with reasonable adjustment, continue in employment.

During employment, Horder Healthcare seeks to work with all employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

The number of disabled persons employed by the Company during the year was thirteen (2020: eight).

Fundraising

Although a charity, Horder Healthcare is not reliant on fundraising activities to raise money to fund its services. There are only a small number of fundraising activities undertaken each year, which account for less than 1% of total income.

During 2020/21, due to the impact of Covid-19, we did not have a specific fundraising focus although donations and bequests continued to be received. We are extremely grateful to all those who have supported Horder Healthcare in this way.

On occasion, Horder Healthcare receives a donation or bequest of a significant sum and although these rarely have stipulations attached to them on how the money should be spent, we try to use these for specific projects/items. Such was the case following the receipt of a bequest in 2019, which is only now coming to fruition. The difficulties in recruiting qualified nurses are widely known and so we took the decision to 'grow our own'. We have put in place an apprenticeship scheme through which existing members of staff may seek financial support to undertake their nurse training. This went 'live' in 2020 with the first successful applicant commencing their nursing studies in September 2021, with two more hoping to start their apprenticeships in February 2022.

We were able to continue to fund our surgical bursaries, introduced in 2018 for trainees in orthopaedic higher specialist training. In May 2021, applications were received from two trainee orthopaedic surgeons to support their fellowships in surgical settings overseas. Horder Healthcare was delighted to award both individuals with a Horder Healthcare Gallannaugh Bursary, named in recognition of the influence on the development of the Charity by orthopaedic surgeon and consultant Charles Gallannaugh. At the McIndoe Centre, we were able to welcome back to the team our aesthetic fellow. This fellowship, funded through charitable funds, enables a pre-Consultant level doctor from Queen Victoria Hospital NHS Foundation Trust to expand their knowledge, skills and training in the field of plastic surgery that would not ordinarily be seen in an NHS hospital.

Fundraising activities in 2020/21 included the following:

- Sale of merchandise
- Charitable Trust applications
- Donations received
- Receipt of legacies and bequests
- Gift Aid
- Unity Lottery

The Charitable Funds Committee, chaired by the Chief Executive, oversees the collection and distribution of funds received from the above activities. The Committee also has responsibility for ensuring that best practice in the areas of fundraising and the management of charitable funds is followed, as recommended by the Charity Commission and the Fundraising Regulator.

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Occasionally, individuals (e.g. ex-patients) will raise funds for Horder Healthcare by undertaking activities such as a sponsored walk, although this is not at the request of the organisation. No other third parties are involved in raising funds for, or on behalf of, the Charity (e.g. a professional fundraiser or commercial participator).

Regardless of the level of fundraising, Horder Healthcare still has an obligation to ensure its fundraising activities are conducted lawfully, ethically and with due regard to best practice. Fundraising activities are conducted in accordance with the Horder Healthcare's Fundraising Policy, which is aligned closely to the Fundraising Regulator's Code of Fundraising Practice.

Horder Healthcare has received no complaints regarding its fundraising activities or practices during the year.

Horder Healthcare is aware of its responsibility to protect vulnerable people and other members of the public from inappropriate behaviour with regard to fundraising activities. This is an extension of the organisation's obligations as a healthcare provider, which are described in Horder Healthcare's safeguarding policies.

Energy and Carbon Usage

Horder Healthcare employs the services of an energy usage consultant to review the contracts that are in place for the supply of energy and recommend the most efficient alternatives.

The emergency lighting at The Horder Centre has been replaced for more energy efficient LED lighting. Efforts have been made this year at The McIndoe Centre to ensure more efficient operation of the steam generation plant. All planned preventative maintenance of equipment is up to date.

Horder Healthcare engaged a Building Services Consultant in June 2021 to carry out a Carbon Reduction Survey and report. This survey was commissioned as the first step in making energy and carbon reductions and to identify opportunities.

The data below shows energy usage comparison between year 2019-20 and 2020-21 for Horder Healthcare in KWh:

Usage Comparison 2019-20 v 2020-21				
Volume (kWh/Litres)	2019-20	2020-21	variance %	variance KWh
Electricity Consumption	1,718,550	2,020,310	18%	301,760
Gas Consumption	3,319,857	2,410,231	(27%)	(909,626)
Fuel Usage	8,338	9,445	15%	1,216

Greenhouse Gas (GHG)

The Greenhouse Gas Protocol classifies emissions into one of three scopes, largely based on proximity and control over emissions:

- **Scope 1** offers the highest degree of control, such as burning coal or gas on-site and releasing emissions through a smokestack. The emitter owns the source and has complete control over whether or not the fuel is burned and creates emissions.
- **Scope 2** encompasses grid electricity or off-site heating/cooling sources, including purchased electricity, steam, or chilled water. Users can control the amount of energy consumed, but they do not control how the energy is produced or its emissions intensity.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Methodology

The data detailed in the tables below represent energy use and emissions for which Horder Healthcare is responsible for the financial year 2020/21. We have used the main requirements of the GHG Protocol Corporate Accounting and Reporting Standard as our emissions calculation methodology. This methodology recommends that emissions are calculated by multiplying activity data (for example energy use in kWh) by an appropriate conversion factor. We have used the UK government GHG conversion factors for company reporting 2019 to calculate our emissions.

Greenhouse Gas (GHG) Emissions Comparison 2019-20 v 2020-21		
	2019-20	2020-21
Emissions from Purchased Electricity tCO ₂ e (Scope 2)	384.97	457.72
Emissions from Purchased fuel tCO ₂ e (Scope 2)	1.79	2.62
Emissions from Combustion of Gas tCO ₂ e (Scope 1)	744.15	436.82
Total Energy Usage to calculate consumptions tCO₂e	1,130.91	897.1

Provision of information to auditors

Each of the persons who are Directors at the time when this Board of Directors' Report is approved has confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Group's auditors are unaware, and
- each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Group's auditors in connection with preparing their report and to establish that the Group's auditors are aware of that information.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report and incorporated strategic report was approved by the Board of Directors on 25 November 2021 and signed on their behalf, by:

Mr H I Hatfield

Secretary

HORDER HEALTHCARE

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Statement of Directors' responsibilities

The Directors (who are also trustees of the charity for the purposes of charity law) are responsible for preparing the Board of Directors' and Strategic reports and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable Company and Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period. In preparing these 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and charitable Company will continue in operation.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORDER HEALTHCARE

Opinion

We have audited the financial statements of Horder Healthcare Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 June 2021 which comprise the Consolidated Statement of Financial Activities (including an income and expenditure account), the Consolidated and Charity Balance Sheet, the Consolidated Statement of Cash Flows and Charity Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 .

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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

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

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

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

Other information

The other information comprises the information included in the Board of Directors' Report and Strategic Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Board of Directors' Report and Strategic Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORDER HEALTHCARE

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Board of Directors' Report and Strategic Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Board of Directors' Report and Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Board of Directors' Report and Strategic Report.

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

Responsibilities of trustees

As explained more fully in the Statement of Directors' responsibilities set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORDER HEALTHCARE

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006 Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Board of Directors' Report and strategic report and, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the regulations of the Care Quality Commission. We performed audit procedures to inquire of management and the Chief Nurse whether the group is in compliance with these law and regulations and discussed correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORDER HEALTHCARE

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholas Sladden (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street,
London
EC4A 4AB

HORDER HEALTHCARE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30 JUNE 2021

		Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	Total Funds 2021 £000	Total Funds 2020 £000
	Notes				
Income from:					
Donations and legacies	3	48	-	48	127
Charitable activities	5	32,125	-	32,125	27,432
Other trading activities:	6	1,124	-	1,124	1,463
Investments	4	6	-	6	102
Share of surplus in joint venture		-	-	-	47
Total		33,303	-	33,303	29,171
Expenditure on:					
Charitable activities:					
Patient services	7	32,375	11	32,386	29,127
Share of deficit in joint venture	16	2	-	2	-
Total		32,377	11	32,388	29,127
Net income and Net movement in funds		926	(11)	915	44
Total funds at 1 July		63,906	57	63,963	63,919
Total funds at 30 June		64,832	46	64,878	63,963

HORDER HEALTHCARE

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2021

Company No 03052242

	Notes	2021 £000	2020 £000
Fixed assets			
Intangible assets	13	-	59
Tangible assets	14	55,341	55,337
Programme related investments:			
Investment in joint venture	16	45	47
		<u>55,386</u>	<u>55,443</u>
Current assets			
Stock	17	709	690
Debtors	18	5,402	2,922
Cash at bank and in hand		9,247	8,346
		<u>15,358</u>	<u>11,958</u>
Creditors: amounts falling due within one year	19	(5,866)	(3,438)
		<u>9,492</u>	<u>8,520</u>
Net current assets			
		<u>64,878</u>	<u>63,963</u>
Net assets			
Funds of the group			
General		45,887	44,961
Unrestricted revaluation reserve		18,945	18,945
Restricted by bequest		46	57
		<u>64,878</u>	<u>63,963</u>
Total funds	24	<u>64,878</u>	<u>63,963</u>
Of which designated are:			
Fixed assets		55,341	55,396
CAPEX near and medium term		1,718	1,651
		<u>57,059</u>	<u>57,047</u>
Total designated funds		<u>57,059</u>	<u>57,047</u>
Other funds		7,819	6,916
		<u>64,878</u>	<u>63,963</u>
Total funds		<u>64,878</u>	<u>63,963</u>

These financial statements were approved and authorised for issue by the Board of Directors on 2021.

Dr RJ Tyler
Director

HORDER HEALTHCARE

CHARITY BALANCE SHEET

AS AT 30 JUNE 2021

Company No 03052242

	Notes	2021 £000	2020 £000
Fixed assets			
Intangible assets	13	-	59
Tangible assets	14	55,341	55,337
		<u>55,341</u>	<u>55,396</u>
Current assets			
Stock	17	709	690
Debtors	18	5,402	2,922
Cash at bank and in hand		9,247	8,346
		<u>15,358</u>	<u>11,958</u>
Creditors: amounts falling due within one year	20	(5,866)	(3,188)
		<u>9,492</u>	<u>8,770</u>
Net current assets			
Total assets less current liabilities		<u>64,833</u>	<u>64,166</u>
Funds of the charity			
General		45,842	45,164
Unrestricted revaluation reserve		18,945	18,945
Restricted by bequest		46	57
		<u>64,833</u>	<u>64,166</u>
Total funds	24	<u>64,833</u>	<u>64,166</u>
Of which designated are:			
Fixed assets		55,341	55,396
CAPEX near and medium term		1,718	1,651
		<u>57,059</u>	<u>57,047</u>
Total designated funds			
Other funds		7,774	7,119
		<u>64,833</u>	<u>64,166</u>
Total funds		<u>64,833</u>	<u>64,166</u>

The consolidated surplus for the year includes a surplus of £667,000 (2020: deficit of £3,000) which is dealt within the accounts of the parent Company. The parent has taken advantage of section 408 of Companies Act 2006 not to present its unconsolidated Statement of Financial Activities.

These financial statements were approved and authorised for issue by the Board of Directors on 2021.

Dr RJ Tyler
Director

HORDER HEALTHCARE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £000	2020 £000
Cash inflow from operating activities:			
Net cash provided by operating activities	28	2,421	1,073
		<u>2,421</u>	<u>1,073</u>
Cash flows from investing activities:			
Interest received		6	33
Purchase of tangible fixed assets		(1,552)	(1,231)
Proceeds from sale of fixed asset investments		26	-
		<u>(1,520)</u>	<u>(1,198)</u>
Net cash used in investing activities		(1,520)	(1,198)
Net increase/(decrease) in cash and cash equivalents		901	(125)
Cash and cash equivalents brought forward		8,346	8,471
		<u>9,247</u>	<u>8,346</u>
Cash and cash equivalents carried forward		<u>9,247</u>	<u>8,346</u>
Relating to:			
Cash at bank and in hand		9,247	8,346
		<u>9,247</u>	<u>8,346</u>

HORDER HEALTHCARE

CHARITY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £000	2020 £000
Cash inflow from operating activities:			
Net cash provided by operating activities	29	2,421	1,073
		<u>2,421</u>	<u>1,073</u>
Cash flows from investing activities:			
Interest received		6	33
Purchase of tangible fixed assets		(1,552)	(1,231)
Proceeds from sale of fixed asset investments		26	-
		<u>(1,520)</u>	<u>(1,198)</u>
Net cash used in investing activities		(1,520)	(1,198)
Net increase/(decrease) in cash and cash equivalents		901	(125)
Cash and cash equivalents brought forward		8,346	8,471
		<u>8,346</u>	<u>8,471</u>
Cash and cash equivalents carried forward		9,247	8,346
		<u>9,247</u>	<u>8,346</u>
Relating to:			
Cash at bank and in hand		9,247	8,346
		<u>9,247</u>	<u>8,346</u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Legal status

The charity is a private Company limited by guarantee and incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per voting member of the Charity.

The charity's objectives and aims are disclosed in the Board of Directors and Strategic Report.

Accounting Convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the requirements of the Companies Act 2006 and under the historical cost convention. The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the charity's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland (as amended for accounting periods commencing from 1 January 2019) (the FRS 102 Charities SORP 2019).

The financial statements are prepared in sterling, which is the functional currency of the charitable Company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The charity constitutes a public benefit entity as defined by FRS102.

Going concern

The Directors have reviewed the Group and Charity's financial forecasts and projections covering a period that exceeds twelve months from the date of signing these financial statements. These forecasts are based on the scenario seen at the end of the financial year, in which private patient income resumed following the cessation of the Covid-19 NHS contracts. With large waiting lists in the NHS, this income is expected to increase over the next year.

In all scenarios forecast, the forecasts show that the Group and Charity would have sufficient resources to meet their liabilities as they fall due within 12 months from the date of the signing of the financial statements. Accordingly, the going concern basis has been used in preparing these financial statements.

Consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiary Horder MSK Limited on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

A joint venture that is not held as part of an investment portfolio is consolidated using the equity method of accounting in accordance with FRS 102 section 15 "Investments in joint ventures". The Group's share of any deficit or surplus in joint ventures is included in the consolidated statement of financial activities, and the Group's share of their net assets or liabilities is included in the consolidated balance sheet. If the Group's share of net assets is reduced to zero, any additional losses leading to a net liability will not be recognised as the Group does not have a legal or constructive obligation or made payments on behalf of the joint venture. Details of the Group's joint ventures can be found in note 16.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Income

Fees are included on an accrual basis once each stage of treatment has been completed.

Bequests are recognised in the accounts when the charity is entitled to receipt and the amount can be measured with reasonable certainty.

Donations, investment income and other income are included on an accruals basis.

Expenditure

Expenses include any attributable VAT which cannot be recovered and are recognised in the period in which they are incurred.

Raising funds are those costs associated with generating voluntary income.

Charitable activities include expenditure on patients.

Support costs, which include governance costs, are allocated to patients' expenditure.

Governance costs include those costs incurred in the governance of the charitable Group and are primarily associated with constitutional and statutory requirements.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Board of Directors in furtherance of the general objectives of the charitable Group and which have not been designated for other purposes. The revaluation reserve relates to the revaluation of certain tangible fixed assets. Restricted funds represent income contributions which are restricted to a particular purpose, in accordance with the donor's wishes. Designated funds comprise unrestricted funds that have been set aside by the Directors for a particular purpose.

Intangible fixed assets - goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of separable net assets acquired) is capitalised and amortised over 10 years. The goodwill has been generated through the purchase of The McIndoe Centre. When purchasing this centre the directors' paid careful attention to the useful life they considered the centre to have before agreeing on a purchase price. It was agreed the centre would carry a useful life of 10 years and therefore the directors deem that to be an appropriate method for amortising the goodwill.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	-	Straight line over 5 years
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Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation

Depreciation is provided at rates calculated to write off the cost of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Freehold land	-	Nil
Freehold buildings	-	Over 50 - 60 years
Equipment	-	4 - 10 years
Motor vehicles	-	25% reducing balance

Assets under construction are not depreciated until brought into use. Assets under £1,000 are not capitalised and are charged directly to the statement of financial activities. A full year of depreciation is charged in the year of acquisition.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stock

Stock is stated at the lower of cost and net realisable value. Cost is computed on a first in, first out basis. Net realisable value is based on estimated selling price after allowing for all further costs of completion and disposal.

Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received where deemed material by the Directors.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

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.

Financial instruments

The charitable Group and Company applies the provisions of Section 11 "Basic Financial Instruments" of FRS102 to all of its financial instruments. Financial instruments are recognised when the Group and Company becomes party to the contractual provisions of the instrument.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Financial assets and financial liabilities are recognised when the charitable Group and Company becomes a party to the contractual provisions of the instrument, and are offset only when the charitable Group and Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Fee debtors, amounts owed by joint ventures and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities

Basic financial liabilities, including trade and other payables and amounts owed to joint ventures, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Accounting estimates and areas of judgment

In the application of the charity's accounting policies, the Directors 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.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

NHS Covid income:

The income received for the period January to March 2021 from NHS England is still to be finalised following the completion of an assurance exercise. As such the best estimate based on the original contract and activity has been included in the accounts of £5.7m. This estimate has been made based on the most up to date information available from NHS England regarding the assurance exercise.

3 Donations and legacies

	Unrestricted	
	Total 2021 £000	Total 2020 £000
Donations and covenants receivable	24	25
Bequests	24	102
	<u>48</u>	<u>127</u>

4 Investments

	Unrestricted	
	Total 2021 £000	Total 2020 £000
Interest receivable	1	33
Hire of facilities	5	69
	<u>6</u>	<u>102</u>

5 Income from Charitable activities

	Unrestricted	
	Total 2021 £000	Total 2020 £000
Fees from NHS and other sources	32,125	27,432

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

6 Other trading activities

	Unrestricted	
	Total 2021 £000	Total 2020 £000
Other income	35	558
Expense recharges to SMSKP2 Limited	938	905
Grants received	151	-
	<u>1,124</u>	<u>1,463</u>

Grants received

Grants received represent amounts received in respect of contributions towards staff salary costs under the coronavirus job retention scheme. There are no unfulfilled conditions or other contingencies attached to the grant.

7 Expenditure on Charitable activities

	Unrestricted 2021 £000	Restricted 2021 £000	Total 2021 £000	Total 2020 £000
Patient services				
Theatre and medical costs	10,957	-	10,957	9,833
Wages, salaries and national insurance	10,175	-	10,175	8,880
Pension cost	694	-	694	651
Depreciation	1,512	11	1,523	1,464
Amortisation	59	-	59	61
Support costs (note 8)	8,978	-	8,978	8,238
	<u>32,375</u>	<u>11</u>	<u>32,386</u>	<u>29,127</u>

Of the total charitable expenditure for the year to 30 June 2020 £11,894 is attributable to restricted funds and £29,115,301 to unrestricted funds.

8 Support costs

	Unrestricted	
	Total 2021 £000	Total 2020 £000
Catering, laundry and office costs	2,010	1,816
Legal and professional fees	366	405
Building and equipment maintenance	1,544	1,398
Staff costs	3,054	2,670
Finance costs	49	46
Clinical governance	22	11
Other direct costs	1,851	1,836
Governance	82	56
	<u>8,978</u>	<u>8,238</u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

9 Auditor's remuneration

	2021 £000	2020 £000
Auditor's remuneration	37	34
Auditor's non audit services:		
VAT advice	-	3
Other services	8	8
	<u>45</u>	<u>45</u>

10 Taxation

Horder Healthcare is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

11 Staff costs and remuneration of key management personnel Charity and Group

	2021 £000	2020 £000
Wages and salaries	11,867	10,891
Social security costs	1,044	950
Pension costs	694	652
	<u>13,605</u>	<u>12,493</u>

Employees

The number of higher paid employees, including clinicians, was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	6	7
In the band £70,001 - £80,000	4	3
In the band £80,001 - £90,000	4	-
In the band £90,001 - £100,000	2	1
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	1	1
In the band £150,001 - £160,000	-	1
In the band £170,001 - £180,000	-	1
In the band £310,000 - £320,000	1	-
	<u>19</u>	<u>15</u>

Dr R Tyler the Chief Executive, a member of the Senior Executive team was also a member of the Board of Directors and receivable remuneration and benefits for his services in that office, through an employment contract and a long-term incentive plan with the charity, was £316,745 (2020: £177,945), in addition, pension contributions for the year were £16,331 (2020: £23,350).

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

11 Staff costs and remuneration of key management personnel (continued)

A Parker, a member of the Board of Directors temporarily acted in an executive role as Director of Clinical Services and received remuneration and benefits for her services in that office, through an employment contract with the charity of £53,103 (2020: £nil); in addition, pension contributions for the year were £1,954.

The number of directors to whom retirement benefits are accruing is 2 (2020: 1).

The Charity considers its Board of Directors and certain members of the Senior Executive team as their key management personnel. The total employments benefits including employer contribution of the key management personnel was £526,935 (2020: £384,359). Board member details can be found on page 1. Other Senior Executive team members were Mrs R Dixon, Operations Director until her resignation.

No other members of the Board of Directors received any emoluments during either year. During the year 3 trustees (2020: 2) received reimbursement of travel expenses totalling £836 (2020: £724).

The average number of employees during the year was made up as follows:

	2021 No.	2020 No.
Clinical	179	179
Clinical support	91	86
Non-clinical	129	117
	<u>399</u>	<u>382</u>

12 Net expenditure/income

	2021 £000	2020 £000
This is stated after charging:		
Government grants	(151)	-
Depreciation	1,523	1,464
Amortisation	59	61
Operating lease rentals	21	11
	<u></u>	<u></u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

13 Intangible fixed assets – Group and Charity

	Goodwill £000	Software £000	Total £000
Cost or valuation			
At 1 July 2020	1,903	2,346	4,249
Additions	-	-	-
At 30 June 2021	1,903	2,346	4,249
Amortisation			
At 1 July 2020	1,844	2,346	4,190
Charge for year	59	-	59
At 30 June 2021	1,903	2,346	4,249
Net book value			
At 30 June 2021	-	-	-
At 30 June 2020	59	-	59

14 Tangible fixed assets – Group and Charity

	Freehold Land and Buildings £000	Equipment £000	Motor Vehicles £000	Total £000
Cost or valuation				
At 1 July 2020	55,765	12,310	99	68,174
Additions	539	1,011	-	1,550
Disposals	-	(22)	-	(22)
At 30 June 2021	56,304	13,299	99	69,702
Depreciation				
At 1 July 2020	4,372	8,398	67	12,837
Charge for the year	850	668	6	1,524
At 30 June 2021	5,222	9,066	73	14,361
Net book value				
At 30 June 2021	51,082	4,233	26	55,341
At 30 June 2020	51,393	3,912	32	55,337

Included within freehold land and buildings is £10,003,809 (2020: £10,003,809) of freehold land.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

15 Fixed asset investments

Group

The Group has interests in the following unlisted investments:

The Group holds more than 20% of the share capital of the following companies:

Associated undertakings	Country of incorporation	Class	% held directly
SMSKP2 Limited	England & Wales	Ordinary	50

SMSKP2 Limited was incorporated on 3 October 2014 and its principal activity is the support of an integrated musculoskeletal service for the NHS. Further details are given in note 16. The joint venture shareholders' agreement held for SMSKP2 Limited states the Group shall make a working capital cash contribution of £250,000 to SMSKP2 Limited. Considering recent performance of SMSKP2 this is not deemed to be likely to be called upon and the provision held in Horder MSK for this amount has been removed.

The total cost of the shares held in these undertakings is £1 (2020: £1). The shares are held by Horder MSK Limited.

Charity

The charity has the following unlisted investments:

The charity holds more than 20% of the share capital of the following companies all of which have been incorporated in England & Wales:

Subsidiary undertakings:	Company registration number	Class	% held directly	% held indirectly
Horder MSK Limited	09182301	Ordinary	100	-
McIndoe Healthcare Services Limited*	09846138	Ordinary	100	-
McIndoe BVI Limited*	05838281	Ordinary	-	100
McIndoe Consultants Limited*	06525232	Ordinary	-	100
McIndoe Cosmetic Limited*	06525182	Ordinary	-	100
McIndoe Eyes Limited*	09473797	Ordinary	-	100
McIndoe International Limited*	05839223	Ordinary	-	100
McIndoe TV Limited*	06584599	Ordinary	-	100
McIndoe Hospital Limited*	08749830	Ordinary	-	100

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

15 Fixed asset investments (continued)

Horder MSK Limited is a holding company for the joint venture enterprise with SMSKP2 Limited. It was incorporated on 19 August 2014. The Company made a £250k profit in the year end 30 June 2021.

The total cost of the shares held in Horder MSK Limited is £2 (2020: £2). The aggregate capital and reserves of Horder MSK Limited at 30 June 2021 was £2 (2020: (£249,998)), the total assets were £3 and total liabilities were £1.

*These companies are dormant and are exempt from audit by virtue of s479 of the Companies Act 2006 and have not been included in the consolidated accounts.

The registered office for all subsidiary undertakings is The Horder Centre, St Johns Road, Crowborough, East Sussex, TN6 1XP.

16 Programme Related Investments

Joint venture - Group

Organisation name	Country of registration	Class of ownership	Joint venture interest	Nature of business	Group share of net assets
					£000
SMSKP2 Limited	England	Ordinary	50%	Integrated Musculoskeletal Service for the NHS	45
Share of Joint venture assets and liabilities:					£000
Share of current assets					6,962
Liabilities due within one year					(6,917)
Share of net assets					45
Share of Joint venture income and expenditure:					£000
Share of turnover					14,075
Share of expenses					(14,077)
Share of deficit					(2)

The financial year end for SMSKP2 Limited is 31 March 2021. Therefore the share of net assets and share in deficit for the year have been taken from the Company's management accounts for the period to 30 June 2021. These management accounts were approved by the board of SMSKP2 Limited.

The registered office of SMSKP2 Limited is Swandean, Arundel Road, Worthing, West Sussex, BN13 3EP.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

17 Stock – Group and Charity

	2021 £000	2020 £000
Theatre, medical and surgical consumables and drugs	427	404
Prosthesis	282	286
	<u>709</u>	<u>690</u>

18 Debtors – Group and Charity

	2021 £000	2020 £000
Fee debtors	3,285	1,440
Other debtors	243	570
Prepayments and accrued income	1,874	912
	<u>5,402</u>	<u>2,922</u>

Included in Fee debtors is £979,637 (2020: £436,697) owed by SMSKP2 Limited.

19 Creditors: Amounts falling due within one year – Group

	2021 £000	2020 £000
Trade creditors	1,351	561
Social security and other taxes	299	253
Other creditors	113	25
Accruals	1,996	1,519
Deferred income (note 21)	2,107	1,080
	<u>5,866</u>	<u>3,438</u>

20 Creditors: Amounts falling due within one year – Charity

	2021 £000	2020 £000
Trade creditors	1,351	561
Social security and other taxes	299	253
Other creditors	113	25
Accruals	1,996	1,269
Deferred income (note 21)	2,107	1,080
	<u>5,866</u>	<u>3,188</u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

21 Deferred income – Group and Charity

	2021 £000	2020 £000
Deferred income as at 1 July	1,080	1,392
Incoming resources received requiring deferment	2,107	1,080
Release of incoming resources during the year	(1,080)	(1,392)
Deferred income as at 30 June	<u>2,107</u>	<u>1,080</u>

Deferred income represents income received from the NHS, private medical insurance companies, and self-paying patients in advance for healthcare services.

22 Pension – Group and Charity

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £694,410 (2020: £651,502). The amount outstanding at the balance sheet date was £96,485 (2020: £21,601) and is shown within other creditors.

23 Related party transactions

During the year the charity recharged SMSKP2 Limited, a company in which 50% of the share capital is owned by Horder MSK Limited, £939,020 (2020: £905,647) for costs incurred on their behalf. Income of £5,484,832 (2020: £9,669,490) was received through contract activity. At the balance sheet date £979,637 (2020: £380,337) was outstanding by SMSKP2 Limited and is included in fee debtors.

24 Funds

Group	General fund £000
Balance at 1 July 2020	44,961
Movement in funds for the year	926
Balance at 30 June 2021	<u>45,887</u>

General Fund – this relates to unrestricted and undesignated funds which are available for expending in line with the charity's objects.

Charity	General fund £000
Balance at 1 July 2020	45,164
Movement in funds for the year	678
Balance at 30 June 2021	<u>45,842</u>

General Fund – this relates to unrestricted and undesignated funds which are available for expending in line with the charity's objects.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

24 Funds (continued)

Group and Charity	Revaluation Reserve £000
Balance at 30 June 2020 & 30 June 2021	18,945

The revaluation reserve relates to the revaluation of freehold property.

Prior to the charity's conversion to FRS102 in June 2014, the accounting policy for freehold property was to include it in the financial statements at its revalued amount. Since that point, the accounting policy has been revised to include the property at deemed cost, adopting the revalued amounts as the cost.

Group and Charity	Restricted fund £000
Balance at 1 July 2020	57
Movement in funds for the year	(11)
Balance at 30 June 2021	46

Restricted Fund – relates to the purchase of medical equipment and motor vehicles.

25 Analysis of net assets between funds

Group 2021

	Tangible & Intangible fixed assets £000	Net current assets £000	Total 2021 £000
General fund	36,395	9,492	45,887
Revaluation reserve	18,945	-	18,945
Restricted fund	46	-	46
	<u>55,386</u>	<u>9,492</u>	<u>64,878</u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

25 Analysis of net assets between funds (continued)

Group 2020

	Tangible & Intangible fixed assets £000	Net current assets £000	Total 2020 £000
General fund	36,441	8,520	44,961
Revaluation reserve	18,945	-	18,945
Restricted fund	57	-	57
	<u>55,443</u>	<u>8,520</u>	<u>63,963</u>

Charity 2021

	Tangible & Intangible fixed assets £000	Net current assets £000	Total 2021 £000
General fund	36,350	9,492	45,842
Revaluation reserve	18,945	-	18,945
Restricted fund	46	-	46
	<u>55,341</u>	<u>9,492</u>	<u>64,833</u>

Charity 2020

	Tangible & Intangible fixed assets £000	Net current assets £000	Total 2020 £000
General fund	36,394	8,770	45,164
Revaluation reserve	18,945	-	18,945
Restricted fund	57	-	57
	<u>55,396</u>	<u>8,770</u>	<u>64,166</u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

26 Commitments under operating leases – Group and Charity

The charity leases a number of assets and properties under normal commercial terms.

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £000	2020 £000
Less than one year	23	21
Between 2 and 5 years	25	17
	<u>48</u>	<u>38</u>

27 Capital commitments – Group and Charity

	2021 £000	2020 £000
Contracted for but not provided in these financial statements	<u>1,718</u>	<u>1,651</u>

Capital commitments at 30 June 2021 include investment in IT systems, property maintenance and medical equipment. Capital commitments at 30 June 2020 include investment in IT systems, property maintenance, medical equipment and transport.

28 Net cash flow from operations - Group

	2021 £000	2020 £000
Surplus/(deficit) for the year	915	44
Share of joint venture deficit/(surplus)	2	(47)
Depreciation	1,524	1,464
Amortisation	59	61
Profit on disposal of fixed assets	(4)	-
Investment income	(6)	(33)
(Increase)/decrease in stocks	(19)	(11)
Decrease/(increase) in debtors	(2,480)	708
Increase/(decrease) in creditors	2,430	(1,113)
Net cash inflow from operating activities	<u>2,421</u>	<u>1,073</u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

29 Net cash flow from operations – Charity

	2021	2020
	£000	£000
Net deficit for the year	667	(3)
Depreciation	1,524	1,464
Amortisation	59	61
Profit on disposal of fixed assets	(4)	-
Investment income	(6)	(33)
(Increase)/decrease in stocks	(19)	(11)
Decrease/(increase) in debtors	(2,480)	708
Increase/(decrease) in creditors	2,680	(1,113)
	<hr/>	<hr/>
Net cash inflow from operating activities	2,421	1,073
	<hr/>	<hr/>

30 Reconciliation of changes in net cash – Group and charity

	1 July	Cash	30 June
	2020	flows	2021
	£000	£000	£000
Cash and cash equivalents	8,346	901	9,247
	<hr/>	<hr/>	<hr/>
Total net cash	8,346	901	9,247
	<hr/>	<hr/>	<hr/>