

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 2022

HORDER HEALTHCARE

LEGAL AND ADMINISTRATIVE INFORMATION

Board of directors

The directors who served during the period and up until the approval date of the financial statements were:

Mr S L Dance (Chair) (resigned 14 February 2023)
Dr R J Tyler (Chief Executive)
Mr J C Anscombe (appointed 29 September 2022)
Dr C E Bell (Interim Chair appointed 14 February 2023)
Mr M S Colyer (appointed 29 September 2022)
Mrs R Cunningham Thomas (resigned 1 April 2022)
Mr P A Flamank (retired 25 February 2022)
Dr D A Hicks (appointed 29 September 2022)
Mrs J Grover
Mrs D C Jones (appointed 29 September 2022)
Mr R J McCarthy (appointed 27 January 2022)
Mrs A L Parker
Mr J W Turner (resigned 30 January 2023)
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 are set out below:

Bankers

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Independent auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Solicitor

Cripps
Number 22 Mount Ephraim
Tunbridge Wells
Kent
TN4 8AS

HORDER HEALTHCARE

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 2022. 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. In previous years, and at the start of this reporting period, Horder MSK Limited participated in a not-for-profit consortium (Sussex MSK Partnership), which was formed to provide musculoskeletal (MSK) services to the Clinical Commissioning Groups of Central and East Sussex.

The consortium, which originally comprised of Horder MSK Ltd., Sussex Community NHS Foundation Trust, Care Unbound Limited (trading as Here) and Sussex Partnership NHS Foundation Trust was restructured in October 2021, with the membership of Here and Sussex Community NHS Foundation Trust being terminated. Subsequent to this, in March 2022, Sussex Partnership NHS Foundation Trust also exited the consortium.

Horder MSK Limited now owns a 100% shareholding in SMSKP2 Limited, the company which holds the head contract to provide MSK services to the NHS East Sussex Clinical Commissioning Group. The original partnership agreement has been replaced with a new 'East Sussex MSK Partnership Agreement' between Horder MSK Ltd., SMSKP2 Ltd. and East Sussex Healthcare NHS Trust.

The aggregate amount of capital and reserves and the results of SMSKP2 Limited for the last relevant financial year were as follows:

	Capital and reserves 2022	Profit for the year 2022
	£	£
SMSKP2 Limited	70,001	25,500

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 SMSKP2 Limited using the Equity method, further details can be found in note 18 in these financial statements.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

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.

Public Benefit

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.

As evidenced by the standard of care provided by our hospitals and outreach sites, and our quality outcomes, our activities make a difference to people's lives, not only for those who have the ability to pay but through the provision of services – free at the point of delivery – for NHS patients. Thus, delivering public benefit.

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 25 November 2021 Mrs A L Parker, Mr J W Turner and Dr D W Yates retired from the Board and being eligible were re-elected. Mr P A Flamank and Mrs R Cunningham Thomas subsequently retired from the Board in February and April 2022 respectively. Mr J W Turner retired from the Board on 30 January 2023. Plans were put in place to recruit and these vacancies have been successfully filled.

Dr C E Bell, Mrs J C Grover and Mr S L Dance retired by rotation at the subsequent General Meeting in November 2022 and being eligible were re-elected. Mr S L Dance subsequently retired from the Board on 14 February 2023.

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 throughout the Covid-19 pandemic continued to be held albeit on a 'remote' basis, utilising Microsoft Teams. 'In person' Board meetings were reintroduced from May 2022.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

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.

A gap analysis against the Charity Governance Code is currently underway in order to identify any points which the Trustees may need to consider adopting.

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.

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 £18,480.

Strategic Report

Our Performance

2021/22 continued to be overshadowed by the challenges of Covid-19. The first half of the year (July - December 2021), was characterised by 'stop-start', as higher levels of demand were stymied by Covid-related cancellations. The emergence of the Omicron variant in December 2021, and national concerns about the impact on NHS capacity, led to the offer of another NHS Covid contract for the period from January 2022 to March 2022.

The aim of the contract was to act as a potential safety valve, with contract signatories agreeing to make capacity available in the event of a 'surge' in Covid related admissions. As in the previous year, the Charity was a signatory, underlining its ongoing support for the NHS. Whilst the capacity was not required, the Charity was pleased to offer its support in this way.

The second half of the year (January – June 2022) saw the emergence of higher than budgeted cost-pressures. Initially, these were driven by shortages in clinical staffing, and subsequently by general inflationary pressures arising from energy shortages and supply-chain issues.

Against this backdrop, performance has been challenging. Higher levels of demand were reflected in income growth of 5%, with a considerable increase in private patient income. However, this was offset by increased costs, with variable costs 17% above budgeted levels. The overall impact was a year-end net expenditure before depreciation of £143k.

Despite the difficult operating environment, the Charity still managed to invest £1M into the organisation, refurbishing the operating theatres and improving IT infrastructure, whilst maintaining a strong cash balance of £9.3M (PY £9.2M).

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Quality and Outcome Measures/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.

The Charity has continued to deliver a high quality of service throughout 2021/22 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.
- Reduced patient falls rate at The Horder Centre to less than four in 1,000 bed days.
- 94.5% of patients rated their experience with Horder Healthcare as excellent or very good, against a target of 'greater than 95%' (previous year result 99%).
- 97.5% of all patients were likely or very likely to recommend Horder Healthcare to friends and family, against a target of 'greater than 95%' (previous year result 99%).
- Registered for an Association for Safe Aseptic Practice (ANTT) award, to be achieved during 2022/23.
- With the concentration on reducing our carbon footprint, both hospitals renewed their Display Energy Certificates (DEC), with The McIndoe Centre improving their rating from D to B and The Horder Centre improving from E to D.
- Catering teams at both hospitals have achieved a 'Food For Life Served Here' bronze award, which evidences sustainable ingredient purchasing and cooking from scratch.
- The physiotherapy team has continued to form links with universities to work together on research in the future and has successfully published an article: 'Developing BackPAC: Utilising stratification, shared decision making and promoting self-management to optimise service delivery.'
- Training and development for all staff has continued with a further Trainee Nurse Associate Degree Apprenticeship being utilised. This brings the total number of active apprentices across Horder Healthcare to eight, spanning both clinical and non-clinical departments.
- The Leadership Academy for junior and first-line managers commenced in January 2022.

The information above has been extracted from Horder Healthcare's Quality Account for 2022. 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/wp-content/uploads/Quality-Account-2022-2.pdf>

The cessation of routine activity during March 2020 due to Covid-19 together with the continuing impact of the pandemic throughout the whole of the subsequent year, makes year-on-year comparisons difficult. However, it is encouraging to see that activity in all areas of the business picked up during 2021/22. Health and Fitness classes were resumed virtually in October 2020, with face-to-face classes being reintroduced from August 2021, albeit with significant restrictions initially on the number of people able to attend.

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

	2021/22	2020/21	2019/20
Activity			
Number of Procedures*	7,096	6,956	5,883
Outpatient Consultations*	26,591	21,635	22,782
Physiotherapy Appointments*	22,985	19,696	28,163
Health & Fitness Class Attendances	3,473	66	17,813
Quality			
Patient Satisfaction Rate	99%	99%	100%
Financial			
Total Income	£35.0m	£33.3m	£29.2m

**Data from the previous two years has been revised following a data refresh.*

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

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. Patients
2. People
3. Purpose

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.

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.

Principal Risks

The table below highlights the principal risks identified during 2021/22, with associated mitigated programmes.

Key Strategic Objectives	Principal Risks		Mitigation Programmes 2021-22	Current Risk Exposure
Delivering outstanding care	1.	Risk of severe patient safety event	Clinical assurance programme	Unchanged
Preferred choice for private patients	2.	Risk of reduction in reputation for private patients due to drop in patient experience scores	Enhanced private patient pathway	Unchanged
	3.	Risk to private revenue due to lack of commercial culture across the organisation		
Key partner to the NHS	4.	Risk of reduction in NHS orthopaedic activity	NHS stakeholder engagement programme	Increased

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Key Strategic Objectives	Principal Risks		Mitigation Programmes 2021-22	Current Risk Exposure
Key partner to the NHS	5.	Risk of reduced role for independent providers in NHS integrated care systems	NHS stakeholder engagement programme	Increased
Employer of choice	6.	Risk of inability to recruit and retain clinical staff	Recruitment & retention strategy	Increased
Strengthening the community	7.	Risk of failure to demonstrate charitable purpose	Develop ESG strategy	Unchanged
Sound financial management	8.	Risk to financial sustainability due to deterioration in margins and/or increased cost base	Medium term financial strategy	Increased

Future Developments

2022/23 will see a growing focus on the private patient market, whilst remaining ready to support the NHS elective recovery programme. However, there is no doubt that inflationary pressures remain challenging, and we continue to focus on financial improvements and longer-term sustainability.

Our recent success in recruiting nurses from overseas, coupled with improved retention rates should lead to a reduction in temporary staffing costs from quarter two 2022/23 onwards. Similarly, increased efficiencies arising from the introduction of new financial systems, and reduced energy usage arising from estates improvements, will help to mitigate rising energy prices and other inflationary pressures.

In parallel, capital investments will continue to reflect a prudent and balanced approach to maintenance, improvement, and service transformation. Our commitment to achieve carbon net zero by 2035 will be reflected in our ongoing estates improvement programme, whilst improvements in our IT infrastructure will enable us to move forward with a patient portal and an integrated electronic patient record.

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 2022 amounted to £61.8m of which £53.5m is represented by buildings, other fixed assets and restricted funds, leaving unrestricted funds of £8.3m of which £1.7m has been designated for capital expenditure. Horder Healthcare's consolidated free reserves were therefore £6.6m.

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 55% of its income, as well as the inflationary cost pressures. 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. In order to manage this risk, Horder Healthcare has a target to maintain £6.1m in consolidated free reserves. Horder Healthcare's consolidated free reserves were £6.6m, a level considered acceptable to the Board.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

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.

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 2021/22.

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' and 'tea 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;• Monthly formal 'all staff' Executive briefing sessions;• Implementation of a full onboarding programme for all new colleagues;• Structured annual appraisal programme with a clear competency framework;

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Stakeholders	Why are they important to Horder Healthcare	What is Horder Healthcare's approach to engage with them
		<ul style="list-style-type: none"> Structured statutory and mandatory 'all staff' training programme;
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"> Regular patient surveys; Quarterly patient experience meetings; Utilisation of PROMs data to drive service improvement; Utilisation of clinical audit data to drive service improvement.
NHS Commissioners	The NHS accounts for over 61% 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. Membership of IHPN/NHS England 6-weekly updates Look to develop relationships with the ICBs/ICPs as they take on their new roles during 2022/23.
Private health insurers (PMI)	PMI constitutes a growing income stream which is increasingly important to the business.	<ul style="list-style-type: none"> 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. Formal governance and oversight meetings where sub-contract in place.
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.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Stakeholders	Why are they important to Horder Healthcare	What is Horder Healthcare's approach to engage with them
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.

Significant Decisions

The table below sets out examples of decisions taken by the Board during 2021/22 and how stakeholder views and feedback were considered in its decision making.

Making hospitals available to the NHS for potential Covid 'surge' capacity from January to March 2022.	Agreement to extend the MSK East contract for 12 months from April 2022
<p>S172 matter affected</p> <ul style="list-style-type: none">Healthcare partnersOur peopleOur patients <p>Action and impact of the decision</p> <p>When our hospitals were asked to support the NHS by making capacity available in the event of a Covid 'surge', the Board carefully considered the impact on our people, patients, and the NHS before making the decision.</p> <p>The Board were cognisant of a desire to support the NHS in the event of a risk of services being overwhelmed by another Covid surge. In making the decision they considered the potential impact on existing patients, in particular those who were waiting for joint replacement surgery, and the impact on staff who had worked tirelessly through the initial Covid pandemic in 2020.</p> <p>After careful consideration the Board agreed that they wanted to support the NHS and would take the necessary steps to ensure that existing patients and staff would be supported as effectively as possible.</p>	<p>S172 matter affected</p> <ul style="list-style-type: none">Healthcare PartnersOur patientsOur people <p>Action and impact of the decision</p> <p>The MSK East contract was scheduled to end on 30th March 2022. Due to the pressures of Covid-19, Commissioners requested a 12-month extension until 30th March 2023.</p> <p>The Board were cognisant of the pressures that the pandemic had placed on the local NHS economy, and the potential impact on healthcare partners, patients, and staff, of a decision not to proceed.</p> <p>On balance, the Board determined that a decision not to accept the extension would be detrimental to all relevant parties.</p>

Employee involvement

During 2021/22 Horder Healthcare partnered with Best Companies, to implement an engagement survey to assess the level of colleague engagement, focusing on eight factors of engagement, which produced the following highlights:

- 70.24% participation rate;
- Horder Healthcare achieved the highest score in 'personal growth', indicating that the wide variety of training and development initiatives offered to all colleagues have been very successful;

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

- Horder Healthcare committed to focusing on three factors of engagement - Leadership, Fair Deal and Giving Something Back. As a result, a full organisational development program was launched for all seniors managers, and a full pay and benefits review took place resulting in the implementation of long term service awards.

Horder Healthcare continues to support the mental health and wellbeing of our colleagues and a monthly health and wellbeing calendar provides a wide range of initiatives to support all colleagues. In addition, Horder Healthcare has increased its number of Speak up Guardians.

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 known disabled persons employed by the Company during the year was 21 (2021:13).

Fundraising

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

During 2021/22, donations and bequests continued to be received. We are extremely grateful to all those who have supported Horder Healthcare in this way.

Our nurse apprenticeship scheme has continued through 2021/22, supported in part by a number of generous bequests. We now have two Trainee Nurse Associates undertaking their nursing studies.

Our surgical bursary scheme, introduced at The Horder Centre in 2018 for trainees in orthopaedic higher specialist training, continues. A small number of applications were received towards the end of the reporting year which we are looking to support. At the McIndoe Centre, we continue to support an 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 2021/22 included the following:

- Sale of merchandise
- 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.

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).

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

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 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 (2021: none).

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 Reporting Summary

Reporting Requirement

As a large, unquoted organisation, Horder Healthcare is required to report its energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 as it meets the thresholds for reporting.

Methodology

The data detailed below represent energy use and emissions for which Horder Healthcare is responsible for the financial year 2021/22.

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. This is the same method used in the previous report. All the data for this report are from the Horder Healthcare green scorecard.

Greenhouse Gas (GHG) Emissions Comparison 2020/21 v 2021/22		
	2020/21	2021/22
Emissions from Purchased Electricity tCO ₂ e (Scope 2)	457.72	368.36
Emissions from Purchased fuel tCO ₂ e (Scope 2)	2.62	2.90
Emissions from Combustion of Gas tCO ₂ e (Scope 1)	436.82	241.68
Total Energy Usage to calculate consumptions CO ₂ e	897.16	612.94

Scope 1, 2 and 3 Emissions

Greenhouse Gas (GHG)

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

The Standard Reporting Framework for emissions is called the Greenhouse Gas Protocol, which is split into three categories called Scope 1, 2 and 3 emissions.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Scope 1

Covers our DIRECT emissions from things we own or control, e.g. gas boilers or company cars;

Scope 2

Covers INDIRECT emissions from all the energy we buy, e.g. electricity, steam, heating and cooling;

Scope 3

Covers all the other INDIRECT emissions in our company's value chain. These can include goods or services we buy, business travel, our employees' commutes and investments we hold.

Create a vision for a cleaner, greener, more prosperous future

In the last year we have been working hard making changes. During 2021/22 we reduced our electricity and gas consumption by 18% and 44% respectively.

This has been achieved by work we have completed across sites to improve energy efficiency:

- We have continued working on our program to replace lights with LED fittings, with 95% of the fluorescent lighting in The McIndoe Centre now replaced.
- At The Horder Centre we have replaced all lighting in the operating theatre and anaesthetic rooms with LED fittings.
- LED surgeons' operating lights have been installed in all three theatres at The Horder Centre.
- We are installing person in residence (PIR) lighting controls as appropriate in all non-clinical areas.
- Work to improve the efficiency of the Building Management Systems (BMS) at The McIndoe Centre has allowed us to have more control over our energy usage.
- Time controls has been added to the operation of the heating and ventilation plant to match the needs of the business.
- More controlled use of the gas-powered steam generator at The McIndoe Centre has made a significant reduction to our gas usage.
- Electrically heated steam generation integral within the washers and autoclaves in the Sterile Services Department are used as an alternative.

The data below shows the energy usage comparison between 2020/21 and 2021/22.

USAGE COMPARISON 2020/21 v 2021/22				
Volume (kWh/Litres)	2020/21	2021/22	Variance %	Variance kWh/litres
Electricity Consumption (kWh)	2,020,310	1,645,987	-18.5%	-374,323
Gas Consumption (kWh)	2,410,231	1,333,542	-44.7%	-1,076,689
Fuel Usage (litres)	9,445	10,471	10.9%	+1,026

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.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Auditor

The auditor, BDO LLP, was appointed under section 487(2) of the Companies Act 2006.

This report and incorporated strategic report was approved by the Board of Directors on2023 and signed on their behalf, by:

Mr H I Hatfield
Secretary

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 on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 30 June 2022 and of the Group's incoming resources and application of resources 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.

We have audited the financial statements of Horder Healthcare Limited ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 30 June 2022 which comprise the Consolidated Statement of Financial Activities (including income and expenditure account), the Consolidated and Charity Balance Sheets, the Group Statement of Cash Flows 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related 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 and the 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 Trustees are 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, 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

Other Companies Act 2006 reporting

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

- the information given in the Trustees' 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 Strategic Report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 Directors' 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, 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 the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORDER HEALTHCARE

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We made enquiries of management, and the Board, including:
 - how they have identified, evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance;
 - their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to, compliance with the Charities Act, Companies Act 2006, UK GAAP and tax legislation.
- In addition, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: regulations of the Care Quality Commission, employment law, data protection and health and safety. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management and inspection of regulatory and legal correspondence if any.
- We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Audit response to risks identified

- The Senior Statutory Auditor has assessed and concluded that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulation;
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Board and management;
- We read minutes of meetings of those charged with governance;
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions relating to the impairment of trade receivables, impairment and useful economic lives of fixed assets and the treatment of the investment in SKMSP2 Limited.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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.

Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK

Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

HORDER HEALTHCARE

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

FOR THE YEAR ENDED 30 JUNE 2022

		Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000	Total Funds 2021 £000 As restated
	Notes				
Income from:					
Donations and legacies	4	99	-	99	48
Charitable activities	6	33,330	-	33,330	32,125
Other trading activities	7	535	-	535	186
Investments	5	-	-	-	6
Other	8	1,029	-	1,029	938
Total		34,993	-	34,993	33,303
Expenditure on:					
Charitable activities:					
Patient services	9	36,826	10	36,836	32,597
Other	18	-	-	-	2
Total		36,826	10	36,836	32,599
Net (expenditure)/income and Net movement in funds		(1,833)	(10)	(1,843)	704
Total funds at 1 July – As restated		63,640	46	63,686	62,982
Total funds at 30 June		61,807	36	61,843	63,686

The net movement in funds for the year arise from the charity's continuing operations. The notes on pages 24 to 42 form an integral part of these financial statements

HORDER HEALTHCARE

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2022

Company No 03052242

	Notes	2022 £000	2021 £000 As restated
Fixed assets			
Intangible assets	15	-	-
Tangible assets	16	53,465	54,149
Investment in joint venture	18	70	45
		<u>53,535</u>	<u>54,194</u>
Current assets			
Stock	19	651	709
Debtors	20	3,977	5,402
Cash at bank and in hand		9,271	9,247
		<u>13,899</u>	<u>15,358</u>
Creditors: amounts falling due within one year	21	(5,591)	(5,866)
Net current assets		<u>8,308</u>	<u>9,492</u>
Net assets		<u><u>61,843</u></u>	<u><u>63,686</u></u>
Funds of the group			
General		45,957	47,348
Unrestricted revaluation reserve		15,850	16,292
Restricted		36	46
Total funds	25	<u><u>61,843</u></u>	<u><u>63,686</u></u>

These financial statements were approved and authorised for issue by the Board of Directors on 2023.

Dr RJ Tyler
Director

The notes on pages 24 to 42 form an integral part of these financial statements.

HORDER HEALTHCARE

CHARITY BALANCE SHEET

AS AT 30 JUNE 2022

Company No 03052242

	Notes	2022 £000	2021 £000 As restated
Fixed assets			
Intangible assets	15	-	-
Tangible assets	16	53,465	54,149
		<u>53,465</u>	<u>54,149</u>
Current assets			
Stock	19	651	709
Debtors	20	3,977	5,402
Cash at bank and in hand		9,271	9,247
		<u>13,899</u>	<u>15,358</u>
Creditors: amounts falling due within one year	21	(5,591)	(5,866)
		<u>8,308</u>	<u>9,492</u>
Net current assets			
		<u>8,308</u>	<u>9,492</u>
Total assets less current liabilities		<u>61,773</u>	<u>63,641</u>
Funds of the charity			
General		45,887	47,303
Unrestricted revaluation reserve		15,850	16,292
Restricted by bequest		36	46
		<u>61,773</u>	<u>63,641</u>
Total funds	25	<u>61,773</u>	<u>63,641</u>

The consolidated accounts include income of £34,968,000 (2021: £33,053,000), expenditure of £36,836,000 (2021: £32,597,000 as restated) and a deficit of £1,868,000 (2021: surplus of £456,000 as restated) 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 2023.

Dr RJ Tyler
Director

HORDER HEALTHCARE

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £000	2021 £000
Cash inflow from operating activities:			
Net cash provided by operating activities	29	1,040	2,421
		<u>1,040</u>	<u>2,421</u>
Cash flows from investing activities:			
Interest received		-	6
Purchase of tangible fixed assets		(1,016)	(1,552)
Proceeds from sale of fixed asset investments		-	26
		<u>(1,016)</u>	<u>(1,520)</u>
Net cash used in investing activities		(1,016)	(1,520)
Net increase in cash and cash equivalents	30	24	901
Cash and cash equivalents brought forward		9,247	8,346
		<u>9,247</u>	<u>8,346</u>
Cash and cash equivalents carried forward		9,271	9,247
		<u>9,271</u>	<u>9,247</u>
Relating to:			
Cash at bank and in hand		9,271	9,247
		<u>9,271</u>	<u>9,247</u>

The charity does not hold any debt and as such a net debt reconciliation is not provided as detailed in note 30.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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.

Reduced disclosures

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in these financial statements of Horder Healthcare.

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.

As part of the stress testing of the forecasts, the directors assessed what degree of downturn in trading Horder Healthcare could sustain before it could no longer forecast a positive cash balance. This stress testing was based on flexing revenue downwards with a consistent percentage decline in variable costs, whilst maintaining the forecasted fixed costs. The testing did not allow for the benefit of any mitigating actions that could be taken to preserve cash. The stress testing suggested that annual income would have to decrease by 30% before the Group and Charity would no longer forecast a positive cash balance. Taking into account the effects of COVID-19, the macroeconomic environment, our principal risks and mitigating actions, we do not believe that such a reduction in income is plausible.

Based on the analysis, 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.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies (continued)

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 18.

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 (excluding SMSKP2 income) are included on a cash basis. SMSKP2 income is 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. The revaluation reserve is transferred to general reserves in line with revalued assets' depreciation rate. 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.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies (continued)

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 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 and when brought into use.

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.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies (continued)

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 and other short-term liquid investments with original maturities of three months or less.

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.

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.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies (continued)

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Change of ownership interest

Judgement is made in line with the criteria laid out in FRS 102 as to the treatment of a 100% equity owned entity which the group has joint control over, see note 18.

3 Prior period adjustment

The directors have carried out a review of fixed asset cost and depreciation brought forward and the charge for depreciation made in prior years. The review has resulted in adjustments being made to reduce the net book value of assets at 30 June 2021 by £1,192,000. Cost of assets brought forward has been reduced by £342,000 and accumulated depreciation brought forward has been increased by £850,000. As part of the review, the directors have reclassified some assets from equipment to freehold land and buildings with a value of £770,000.

In addition, it was noted the accounting policy in relation to the revaluation reserve, to release funds to the general account in line with depreciation, had not been applied. The directors have corrected this and made a transfer from revaluation reserve to general reserves in respect of the years ended 30 June 2021 of £2,653,000. The in-year impact for the prior year ended 30 June 2021 is a decrease in the revaluation reserve and a corresponding increase in the general reserves of £442,000.

The net effect on the Consolidated Statement of Financial Activities in the year to 30 June 2021 is to increase expenditure on charitable activities: patient services by £211,000 and by £981,000 in earlier years with a corresponding decrease in general reserves.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

3 Prior period adjustment (continued)

During the year the directors reviewed the allocation of the income within the Statement of Financial Activities. It was agreed that there were some misallocations and therefore following reclassifications to income were made in respect of the year to 30 June 2021. This adjustment has not had an impact on either the surplus for the year or the closing funds.

The changes to the Consolidated Statement of Financial Activities are:

	Year ended 30 June 2021		
	As previously reported £000	Adjustment £000	As restated £000
Income from:			
Charitable activities	32,125	-	32,125
Other trading activities	1,124	(938)	186
Other income	-	938	938
	<u>33,249</u>	<u>-</u>	<u>33,249</u>
Expenditure on:			
Charitable activities: Patient services	32,386	211	32,597
Net movement in funds	<u>915</u>	<u>(211)</u>	<u>704</u>

The changes to the Consolidated Balance Sheet are:

	At 30 June 2021		
	As previously reported £000	Adjustment £000	As restated £000
Fixed assets – Tangible assets	55,341	(1,192)	54,149
Funds – General	(45,887)	(1,461)	(47,348)
Revaluation reserve	(18,945)	2,653	(16,292)

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

3 Prior period adjustment (continued)

There has been no change to the group Statement of Cashflow, however due to the amendment of depreciation in the year to 30 June 2021, the net cash flow from operations note, (note 29) has been amended for the following:

	Year ended 30 June 2021		
	As previously reported £000	Adjustment £000	As restated £000
Surplus for the year	915	(211)	704
Depreciation	1,524	211	1,735

4 Donations and legacies

	Unrestricted	
	Total 2022 £000	Total 2021 £000
Donations and covenants receivable	17	24
Bequests	82	24
	99	48

5 Investments

	Unrestricted	
	Total 2022 £000	Total 2021 £000
Interest receivable	-	1
Hire of facilities	-	5
	-	6

6 Income from Charitable activities

	Unrestricted	
	Total 2022 £000	Total 2021 £000
Provision of healthcare services	33,330	32,125

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

7 Other trading activities

	Unrestricted	
	Total 2022 £000	Total 2021 £000 As restated
Other income	481	35
Hire of facilities	54	-
Grants received	-	151
	<u>535</u>	<u>186</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

8 Other income

	Total 2022 £000	Total 2021 £000 As restated
Expense recharges to SMSKP2 Limited	1,004	938
Share of surplus in joint venture	25	-
	<u>1,029</u>	<u>938</u>

9 Expenditure on Charitable activities

Patient services	Unrestricted 2022 £000	Restricted 2022 £000	Total 2022 £000	Total 2021 £000 As restated
Theatre and medical costs	14,784	-	14,784	10,956
Wages, salaries and national insurance	10,425	-	10,425	10,175
Pension cost	717	-	717	694
Depreciation	1,690	10	1,700	1,735
Amortisation	-	-	-	59
Support costs (note 10)	9,210	-	9,210	8,978
	<u>36,826</u>	<u>10</u>	<u>36,836</u>	<u>32,597</u>

Of the total charitable expenditure for the year to 30 June 2021 £11,089 is attributable to restricted funds and £32,586,262 to unrestricted funds.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

10 Support costs

	Unrestricted	
	Total 2022 £000	Total 2021 £000
Catering, laundry and office costs	1,800	2,010
Legal and professional fees	364	366
Building and equipment maintenance	1,182	1,544
Staff costs	3,243	3,054
Finance costs	75	49
Clinical governance	24	22
Other direct costs	2,438	1,851
Governance	84	82
	<u>9,210</u>	<u>8,978</u>

11 Auditor's remuneration

	2022 £000	2021 £000
Auditor's remuneration	58	37
Auditor's non audit services:		
Other services	-	8
	<u>58</u>	<u>45</u>

12 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.

13 Staff costs and remuneration of key management personnel

Charity and Group

	2022 £000	2021 £000
Wages and salaries	12,421	11,867
Social security costs	1,247	1,044
Pension costs	717	694
	<u>14,385</u>	<u>13,605</u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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

Employees

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	11	6
In the band £70,001 - £80,000	6	4
In the band £80,001 - £90,000	5	4
In the band £90,001 - £100,000	-	2
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
In the band £140,001 - £150,000	1	-
In the band £180,001 - £190,000	1	-
In the band £230,001 - £240,000	1	-
In the band £310,001 - £320,000	-	1
	<u>27</u>	<u>19</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 with the charity, was £235,901 (2021: £316,745), in addition, pension contributions for the year were £22,943 (2021: £16,331).

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 £13,736 (2021: £53,103); in addition, pension contributions for the year were £1,151 (2021: £1,954).

The number of directors to whom retirement benefits are accruing is 2 (2021: 2).

The Charity considers its Board of Directors and certain members of the Senior Executive team as their key management personnel. The total employment benefits including employer contribution of the key management personnel was £494,711 (2021: £526,935). Board member details can be found on page 1.

No other members of the Board of Directors received any emoluments during either year. During the year 2 trustees (2021: 3) received reimbursement of travel expenses totalling £790 (2021: £836).

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

	2022 No.	2021 No.
Clinical	181	179
Clinical support	85	91
Non-clinical	143	129
	<u>409</u>	<u>399</u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

14 Net expenditure / (income)

	2022 £000	2021 £000 As restated
This is stated after charging/(crediting):		
Government grants	-	(151)
Depreciation	1,700	1,735
Amortisation	-	59
Operating lease rentals	23	21
	<u> </u>	<u> </u>

15 Intangible fixed assets – Group and Charity

	Goodwill £000	Software £000	Total £000
Cost or valuation			
At 1 July 2021	1,903	2,346	4,249
Disposals	(1,903)	(2,346)	(4,249)
	<u> </u>	<u> </u>	<u> </u>
At 30 June 2022	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Amortisation			
At 1 July 2021	1,903	2,346	4,249
Disposals	(1,903)	(2,346)	(4,249)
	<u> </u>	<u> </u>	<u> </u>
At 30 June 2022	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 30 June 2022	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 30 June 2021	-	-	-
	<u> </u>	<u> </u>	<u> </u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

16 Tangible fixed assets – Group and Charity

	Freehold Land and Buildings £000	Equipment £000	Motor Vehicles £000	Total £000
Cost				
At 1 July 2021 – As restated	57,147	12,114	99	69,360
Additions	533	463	20	1,016
	<u>57,680</u>	<u>12,577</u>	<u>119</u>	<u>70,376</u>
At 30 June 2022	<u>57,680</u>	<u>12,577</u>	<u>119</u>	<u>70,376</u>
Depreciation				
At 1 July 2021 – As restated	5,949	9,167	95	15,211
Charge for the year	948	749	3	1,700
	<u>6,897</u>	<u>9,916</u>	<u>98</u>	<u>16,911</u>
At 30 June 2022	<u>6,897</u>	<u>9,916</u>	<u>98</u>	<u>16,911</u>
Net book value				
At 30 June 2022	<u>50,783</u>	<u>2,661</u>	<u>21</u>	<u>53,465</u>
At 30 June 2021 – As restated	<u>51,198</u>	<u>2,947</u>	<u>4</u>	<u>54,149</u>

Included within freehold land and buildings is £10,003,809 (2021: £10,003,809) of freehold land.

17 Fixed asset investments

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	-
SMSKP2 Limited**	09248713	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 2022

17 Fixed asset investments (continued)

Charity

Horder MSK Limited is a holding company for the joint venture enterprise with SMSKP2 Limited. It was incorporated on 19 August 2014. Horder MSK Limited made a £nil profit in the year end 30 June 2022 (2021: £250,000).

The total cost of the shares held in Horder MSK Limited is £2 (2021: £2). The aggregate capital and reserves of Horder MSK Limited at 30 June 2022 was £2 (2021: £2), the total assets were £4 and total liabilities were £2.

*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.

** Full details on SMSKP2 Limited can be found on note 18.

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

18 Investments in joint venture

The group owned and controlled 50% of the share capital in SMSKP2 Limited through a Joint Venture agreement. On 31 March 2022 this agreement ended and, on this date, SMSKP2 Limited became a 100% equity owned entity of the group.

As of 1 April 2022, a new partnership agreement was entered into which set out the same rights and obligations as the previous joint venture agreement. Therefore, although SMSKP2 Limited is an 100% equity owned entity of the group it continues to be accounted for within these financial statements as a joint venture, using the equity method of accounting for 50% of their surplus and net assets.

Share of Joint venture assets and liabilities:	2022 £000	2021 £000
Share of current assets	5,852	6,962
Liabilities due within one year	(5,782)	(6,917)
	<hr/>	<hr/>
Share of net assets	70	45
	<hr/>	<hr/>
Share of Joint venture income and expenditure:	2022 £000	2021 £000
Share of turnover	19,718	14,075
Share of expenses	(19,693)	(14,077)
	<hr/>	<hr/>
Share of surplus/(deficit)	25	(2)
	<hr/>	<hr/>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

18 Investments in joint venture (continued)

The financial year end for SMSKP2 Limited is 31 March 2022. 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 2022. These management accounts were approved by the board of SMSKP2 Limited.

The registered office of SMSKP2 Limited is The Horder Centre, St Johns Road, Crowborough, East Sussex, TN6 1XP.

19 Stock – Group and Charity

	2022 £000	2021 £000
Theatre, medical and surgical consumables and drugs	433	427
Prosthesis	218	282
	<hr/>	<hr/>
	651	709
	<hr/>	<hr/>

20 Debtors – Group and Charity

	2022 £000	2021 £000
Fee debtors	1,942	3,285
Other debtors	228	243
Prepayments and accrued income	1,807	1,874
	<hr/>	<hr/>
	3,977	5,402
	<hr/>	<hr/>

Included in Fee debtors is £632,357 (2021: £979,637) owed by SMSKP2 Limited.

21 Creditors: Amounts falling due within one year – Group and Charity

	2022 £000	2021 £000
Trade creditors	1,319	1,351
Social security and other taxes	421	299
Other creditors	85	113
Accruals	1,621	1,996
Deferred income (note 22)	2,145	2,107
	<hr/>	<hr/>
	5,591	5,866
	<hr/>	<hr/>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

22 Deferred income – Group and Charity

	2022 £000	2021 £000
Deferred income as at 1 July	2,107	1,080
Income received requiring deferment	2,145	2,107
Release of income during the year	(2,107)	(1,080)
Deferred income as at 30 June	2,145	2,107

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

23 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 £717,085 (2021: £694,410). The amount outstanding at the balance sheet date was £85,032 (2021: £96,485) and is shown within other creditors.

24 Related party transactions

During the year the charity recharged SMSKP2 Limited, a company which Horder MSK Limited has joint control over, £1,004,307 (2021: £939,020) for costs incurred on their behalf. Income of £13,384,983 (2021: £5,484,832) was received through contract activity. At the balance sheet date £632,357 (2021: £979,637) was outstanding by SMSKP2 Limited and is included in fee debtors.

25 Funds

Group	General fund	
	2022 £000	2021 £000 As restated
Balance at 1 July – as restated	47,348	46,191
Movement in funds for the year	(1,833)	715
Transfer from revaluation reserve	442	442
Balance at 30 June	45,957	47,348

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

The transfer made is in relation to excess depreciation being charged on the revaluated element of the freehold property, excluding land.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

25 Funds (continued)

Charity	General fund	
	2022 £000	2021 £000 As restated
Balance at 1 July – as restated	47,303	46,394
Movement in funds for the year	(1,858)	467
Transfer from revaluation reserve	442	442
	<u>45,887</u>	<u>47,303</u>

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

Group and Charity	Revaluation reserve	
	2022 £000	2021 £000 As restated
Balance at 1 July – as restated	16,292	16,734
Transfer	(442)	(442)
	<u>15,850</u>	<u>16,292</u>

The revaluation reserve relates to the revaluation of freehold property. The transfer made is in relation to excess depreciation being charged on the revaluated element of the freehold property, excluding land.

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	
	2022 £000	2021 £000
Balance at 1 July	46	57
Movement in funds for the year	(10)	(11)
	<u>36</u>	<u>46</u>

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

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

26 Analysis of net assets between funds

Group 2022

	Tangible & Intangible fixed assets £000	Net current assets £000	Total 2022 £000
General fund	37,649	8,308	45,957
Revaluation reserve	15,850	-	15,850
Restricted fund	36	-	36
	<u>53,535</u>	<u>8,308</u>	<u>61,843</u>

Group 2021

	Tangible & Intangible fixed assets £000 As restated	Net current assets £000	Total 2021 £000 As restated
General fund	37,856	9,492	47,348
Revaluation reserve	16,292	-	16,292
Restricted fund	46	-	46
	<u>54,194</u>	<u>9,492</u>	<u>63,686</u>

Charity 2022

	Tangible & Intangible fixed assets £000	Net current assets £000	Total 2022 £000
General fund	37,579	8,308	45,887
Revaluation reserve	15,850	-	15,850
Restricted fund	36	-	36
	<u>53,465</u>	<u>8,308</u>	<u>61,773</u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

26 Analysis of net assets between funds (continued)

Charity 2021

	Tangible & Intangible fixed assets £000	Net current assets £000	Total 2021 £000 As restated
General fund	37,811	9,492	47,303
Revaluation reserve	16,292	-	16,292
Restricted fund	46	-	46
	<u>54,149</u>	<u>9,492</u>	<u>63,641</u>

27 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:

	2022 £000	2021 £000
Less than one year	20	23
Between 2 and 5 years	12	25
	<u>32</u>	<u>48</u>

28 Capital commitments – Group and Charity

	2022 £000	2021 £000
Not contracted for and not provided in the balance sheet	<u>1,702</u>	<u>1,718</u>

Capital commitments at 30 June 2022 and 30 June 2021 include investment in IT systems, property maintenance and medical equipment.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

29 Net cash flow from operations - Group

	2022 £000	2021 £000 As restated
(Deficit)/surplus for the year	(1,843)	704
Share of joint venture (surplus)/deficit	(25)	2
Depreciation	1,700	1,735
Amortisation	-	59
Profit on disposal of fixed assets	-	(4)
Investment income	-	(6)
Decrease/(increase) in stocks	58	(19)
Decrease/(increase) in debtors	1,425	(2,480)
(Decrease)/increase in creditors	(275)	2,430
Net cash inflow from operating activities	1,040	2,421

30 Reconciliation of changes in net cash – Group

	1 July 2021 £000	Cash flows £000	30 June 2022 £000
Cash and cash equivalents	9,247	24	9,271
Total net cash	9,247	24	9,271