

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 2023

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)
Mrs S C Sjuve (Chair) (appointed 20 March 2023)
Dr R J Tyler (Chief Executive)
Mr J C Anscombe (appointed 29 September 2022)
Dr C E Bell
Mr M S Colyer (appointed 29 September 2022)
Dr D A Hicks (appointed 29 September 2022)
Mrs J Grover
Mrs D C Jones (appointed 29 September 2022)
Mr R J McCarthy
Mrs A L Parker
Mr J W Turner (resigned 30 January 2023)
Dr D W Yates

Company secretary

Mr H I Hatfield (resigned 30 June 2023)
Mrs H Blakelock (appointed 1 July 2023)

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 Charity) for the year ended 30 June 2023. The Board of Directors confirm that the Annual Report, which includes the Strategic Report, and financial statements of the Charity comply with the current statutory requirements, the requirements of the charity'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 charity limited by guarantee.

Status

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

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

McIndoe Healthcare Services Limited

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

Horder MSK Limited

Horder MSK Limited (Company Registration No. 09182301) was incorporated on 19 August 2014.

Horder MSK Limited owns a 100% shareholding in SMSKP2 Limited, the company which holds the head contract to provide MSK services to the NHS Sussex Integrated Care Board. There is a formal agreement between Horder MSK Ltd., SMSKP2 Ltd. and East Sussex Healthcare NHS Trust to deliver these services.

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 2023	Profit for the year 2023
	£	£
SMSKP2 Limited	87,002	19,000

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 16 in these financial statements.

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.

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BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Public Benefit

The Directors have referred to the Charity Commission's general guidance on public benefit when reviewing the Charities' 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 24 November 2022 Dr C E Bell, Mrs J C Grover and Mr S L Dance retired from the Board and being eligible were re-elected.

Mr J W Turner, Mr S L Dance and Company Secretary, Mr H I Hatfield subsequently retired from the Board in January 2023, February 2023 and June 2023 respectively. Mrs S C Sjuve joined the Board as Chair in March 2023 and Mrs H L Blakelock was appointed Company Secretary in July 2023.

Mr R J McCarthy, Mrs A L Parker, Dr R J Tyler and Dr D W Yates will retire by rotation at the next General Meeting and being eligible offer themselves for re-election.

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 up to nine times a year in addition to the General Meeting, a strategic planning session and any focused workshops/ meetings.

From July 2023 the Board has agreed to meet formally six times a year in addition to the General Meeting, two strategic planning sessions and focused workshops/ meetings.

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.

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BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

A gap analysis against the Charity Governance Code is underway in order to identify any matters which the Trustees may feel are relevant for adoption by Horder Healthcare – either by way of introduction of new systems and processes or the adaptation of existing. This piece of work was put on hold pending the recruitment and appointment of a new Chair and will be progressed during 2023/24.

Board Committees

In addition to the Board, 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

Whilst the Covid epidemic has been declared over, dislocations arising from the pandemic remain. It is generally recognised that elements of the population show increased levels of morbidity, whether as a result of post-Covid complications or from a lack of routine treatment during the pandemic.

This impacts, most notably at The Horder Centre, with patients presenting with more complex symptoms and, consequently, more likely to cancel or require additional pre-operative work-up. This was very evident in the first half of the financial year 2022/23, with overall income 12% below planned levels. This was an improvement of 3% from the prior year.

Similarly, Covid-related supply chain disruptions led to inflationary pressures that were accelerated by the impact of the war in Ukraine and the subsequent rise in energy costs. This, in turn, led to energy price increases in excess of 100%, with a resultant impact on our cost base.

However, strong demand for private treatment, coupled with a longer-term NHS contract at The McIndoe Centre, saw a significant improvement in the second half of the year. This resulted in year-end income recovering to within 4% of planned levels, an overall increase of 13% on the prior year. The overall impact was a year-end net surplus before depreciation of £856k.

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 £8.3M (PY £9.3M).

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BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Quality and Outcome Measures/Key Performance Indicators

The table below highlights key achievements during 2022/23 against the organisation's six strategic objectives.

STRATEGIC OBJECTIVES: 2022 - 23 – KEY PERFORMANCE INDICATORS					
FIRST CHOICE FOR PRIVATE PATIENTS	KEY PARTNER TO THE NHS	DELIVER OUTSTANDING CARE	EMPLOYER OF CHOICE	STRENGTHENING THE COMMUNITY	SOUND FINANCIAL MANAGEMENT
<p>We will increasingly become the provider of choice for private patients as evidenced by annual growth rates that are at least equal to Independent Sector industry benchmarks, and, where available, comparative benchmarking data such as the National Joint Registry.</p> <ul style="list-style-type: none"> • Horder Healthcare annual average NHS/Private Patient income split 57/43 • The Horder Centre – 20% increase in private income on prior year • The Horder Centre ratio NHS: Private Patient income split 67/33 • The McIndoe Centre ratio NHS: Private Patient income split 15/85 	<p>We will support the NHS by: providing rapid direct access for NHS patients via Electronic Referral System (ERS); partnering with NHS providers to treat long waiters; & through the on-going provision of community MSK services.</p> <ul style="list-style-type: none"> • The Horder Centre - 4% annual increase in NHS income • The McIndoe Centre – 70% increase in number of NHS patients treated • Strategic partnership signed with East Sussex Hospitals NHS Trust to manage East Sussex MSK contract 	<p>We will achieve top decile performance against recognised and relevant patient experience, outcome and safety measures, as well as achieving and maintaining Clinical Quality Commission (CQC) 'outstanding' ratings.</p> <ul style="list-style-type: none"> • The Horder Centre June 23 99% patients rated care very good/good • The McIndoe Centre June 23 100% patients rated care very good/good • The Horder Centre Hip Replacement positive outlier 1/3 Patient Reported Outcome Measures (PROMS) scores - January 23 Patient Experience Report • The Horder Centre positive outlier 2/3 Patient Reported Outcome Measures (PROMS) scores - January 23 Patient Experience Report 	<p>We will become recognised as the local employer of choice through an Organisational Development (OD) strategy that champions, diversity, development & wellbeing and is evidenced through staff satisfaction surveys and the achievement of the Sunday Times best 100 not-for profit organisations.</p> <ul style="list-style-type: none"> • Horder Healthcare June 2023– 6.46% vacancy rate, down from 6.65% June 2022 • Horder Healthcare June 2023 turnover rate – 20.91%, down from 23.66% June 2022 • Successful recruitment of two tranches of overseas nurses 	<p>We will demonstrate our purpose through our commitment to reduce our carbon footprint; support community cohesion through our commitment to local initiatives such as foodbanks; and support the wider health community through our commitment to education & training.</p> <ul style="list-style-type: none"> • The Horder Centre improved energy performance rating: E to D • The McIndoe Centre improved energy performance rating: D to B • Horder Healthcare awarded <i>Food for Life</i> Bronze award (locally sourced, sustainable produce) • Travel bursaries awarded to surgical trainees • Ongoing support to local food banks 	<p>We will underpin everything we do with sound financial management. We will develop clear growth plans that increase annual revenues, providing the capability for increased investment as well as strengthening the balance at sheet.</p> <ul style="list-style-type: none"> • Horder Healthcare year-end income +12% on prior year. • Horder Healthcare year-end operating profit £620k • Horder Healthcare fixed costs +12% on prior year • Horder Healthcare year-end deficit £1.0m

UNDERPINNED BY INVESTMENT IN DIGITAL INFRASTRUCTURE

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 2022/2023 this included a review of:

- Fire Safety Management
- Payroll
- Data Protection and Information Security
- Health and Safety
- Cyber security

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 agreed strategic objectives.

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

The table below highlights the principal risks identified during 2022/23, with associated mitigated programmes.

Key Strategic Objectives	Principal Risks	Mitigation Programmes 2022-23	Current Risk Exposure	Rationale
Delivering outstanding care	1. Risk of severe patient injury or never event	Clinical assurance programme	Unchanged	
Preferred choice for private patients	2. Failure to keep pace with industry 'best in class'	Enhanced private patient pathway	Unchanged	
Key partner to the NHS	3. Risk of reduction in East Sussex NHS orthopaedic activity	NHS stakeholder engagement programme	Increased	Potential impact of the re-procurement of the NHS Sussex MSK pathway

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Key Strategic Objectives	Principal Risks	Mitigation Programmes 2022-23	Current Risk Exposure	Rationale
Key partner to the NHS	4. Risk of reduced role for independent providers in NHS integrated care systems	NHS stakeholder engagement programme	Increased	Potential impact of introduction of NHS integrated care systems on existing NHS contractual arrangements, coupled with introduction of NHS elective surgical hubs in local health economies.
Employer of choice	5. Risk of inability to recruit & retain clinical staff	Recruitment & retention strategy	Decreased	Impact of ongoing recruitment drive and successful introduction of first tranche of overseas nurses
Strengthening the community	6. Failure to demonstrate charitable purpose	Developing ESG strategy	Unchanged	
Sound financial management	7. Risk to financial sustainability due to deterioration in margins and/or increased cost base	Medium term financial strategy	Increased	Significant inflationary cost pressures.

Future Developments

2023/24 will see a continuing focus on the private patient market, whilst remaining ready to support the NHS elective recovery programme. 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. Similarly, reduced energy usage arising from improvements to the estate 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 new patient administration system and 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. Annual remuneration is set in accordance with the pay policy, with any changes taking effect from 1 July each year. The Chairman of the Remuneration Committee together with the Chairman of the Board of Directors will determine the remuneration for the Chief Executive, who will be excluded from any discussions.

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Reserves Policy

Horder Healthcare's consolidated funds at 30 June 2023 amounted to £60.9m of which £52.7m is represented by buildings, other fixed assets and restricted funds, leaving unrestricted funds of £8.2m.

Horder Healthcare recognises the importance of maintaining adequate reserves to ensure financial stability and resilience during periods of economic uncertainty or other adverse events. This policy outlines the approach taken by the charity in determining the appropriate level of free reserves, considering potential risks and their financial implications.

Horder Healthcare's approach to determining the level of free reserves is based on a comprehensive analysis of future operating results, taking into account potential downside risks. Horder Healthcare evaluates various risks that could impact its financial position. Particular attention is given to the continuing challenges faced by the NHS, as well as inflationary cost pressures and clinical staff shortages. Additionally, the charity takes into account other potential risks specific to its operational context.

To ensure a prudent level of reserves, Horder Healthcare employs financial modelling techniques to simulate the effects of potential reductions in income on gross contribution. This allows the organization to better understand the potential impact of adverse events and plan accordingly.

In addition to addressing short-term risks, Horder Healthcare recognises the importance of investing in its infrastructure and the development of its business to ensure long-term sustainability. Adequate free reserves are earmarked for these purposes.

Horder Healthcare has established a target to maintain consolidated free reserves of £6 million. This target is based on the assessment of identified risks and the financial implications associated with them. The target is set to hold between 14-16% of its total income in free reserves. The Board has deemed this level of reserves to be acceptable in supporting the organisation's financial resilience.

Horder Healthcare is committed to reviewing its reserves policy annually to ensure its continued relevance and effectiveness. This review includes reassessment of identified risks, potential impact scenarios, and the sufficiency of the reserves target.

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.

In line with the Board's risk appetite, investment funds are 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.

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Financial Instruments

Horder Healthcare employs various financial instruments to manage its financial activities and exposures effectively. The charity operates on normal commercial terms with its suppliers and patients, all of whom are located in the UK. The following outlines the key financial instruments used by Horder Healthcare and the associated risk management approach.

Trade Receivables and Payables

Horder Healthcare maintains trade receivables resulting from normal business operations, representing amounts due from patients, the NHS, Private Medical Insurers and other payors. The charity endeavours to manage credit risk prudently, conducting regular credit assessments and setting appropriate credit limits. Trade receivables are monitored closely, and appropriate provisions are made for potential bad debts to mitigate credit risk.

Similarly, trade payables arise from the purchase of goods and services from suppliers. Horder Healthcare ensures timely payment to suppliers in adherence to agreed-upon terms and conditions.

Cash and Cash Equivalents

The Charity holds cash and cash equivalents in bank deposit accounts, maintaining a prudent level of liquidity to meet operational needs and financial obligations. The Finance and Resource Committee (FRC) monitors the cash position regularly to ensure sufficient funds are available to meet short-term requirements.

Bank Borrowings

Horder Healthcare operates on a credit basis with its primary bank and does not have any borrowings that expose the charity to interest rate risk from this source.

Investment in Bank Deposit Account

As mentioned in the Investment Policy section, Horder Healthcare's investment funds are held in a bank deposit account. The Finance and Resource Committee (FRC) ensures that this investment aligns with the charity's risk tolerance and financial objectives.

Financial Risk Management

Horder Healthcare is committed to prudently managing its financial risks. The Finance and Resource Committee (FRC) conducts regular risk assessments to identify and assess potential exposures related to its financial instruments. The committee takes appropriate measures to mitigate these risks and ensure financial stability.

Currency Risk

Since all transactions are conducted in the UK and with UK suppliers and patients, Horder Healthcare is not exposed to significant currency risk.

Horder Healthcare's financial instruments are managed with diligence and in adherence to prudent risk management practices. By maintaining a careful approach to credit risk, managing cash and investments cautiously, and operating on commercial terms, the charity aims to ensure financial stability and support its mission of providing exceptional healthcare services to its patients in the UK.

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Stakeholder Engagement (Section 172(1) statement)

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

We identified the most important stakeholders based on past stakeholder communications. The table below sets out our approach to stakeholder engagement during 2022/23.

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"> • Yearly engagement survey conducted through 'Best Companies' to measure employee engagement and addressing any concerns. • Monthly formal 'all staff' Executive video briefings; • Implementation of a full onboarding programme for all new colleagues; • Structured annual appraisal programme with a clear competency framework; • Structured statutory and mandatory 'all staff' training programme; • Quarterly health and wellbeing forums; • Dedicated menopause clinics.
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; • Monthly review of patient experience trends; • Quarterly patient experience meetings; • Utilisation of PROMs data to drive service improvement; • Utilisation of clinical audit data to drive service improvement. • Patient forums
NHS Commissioners	The NHS accounts for a significant income workstream. 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.
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 high volume PMI providers. • Quality and Governance meetings with PMI providers

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Stakeholders	Why are they important to Horder Healthcare	What is Horder Healthcare's approach to engage with them
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"> • Quarterly review of regulatory gap analysis at Board Governance Committee. • Annual review undertaken of requirements of all regulatory bodies, reported to Board of Trustees (Regulatory Compliance Report). • Regular formal and informal contact with CQC inspectorate. • Regular communication received from the Charity Commission via email updates and via My Charity Commission Account. • Annual GMC submission in line with NHS revalidation requirements.
Consultants	Having good working relationships with our consultant body allows us to deliver the best patient care.	<ul style="list-style-type: none"> • Quarterly Medical Advisory Committee meetings • Biennial review meetings with each consultant • Specialty based meetings with plastics and ophthalmology • Engagement of consultants in hospital clinical governance meetings and morbidity and mortality meetings • Consultant representation in specific organisational projects.
Key Suppliers/Contractors	Building and developing good relationships with our key suppliers supports the delivery of our services.	<ul style="list-style-type: none"> • Regular Joint Service Review meetings.

Significant Decisions

The table below sets out the decision taken by the Board during 2022/23 to extend the MSK East Contract for 18 months and how stakeholder views and feedback were considered in its decision making.

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Agreement to extend the MSK East contract for 18 months from March 2023

S172 matter affected

- Healthcare Partners
- Our patients
- Our people

Action and impact of the decision

The MSK East contract was extended previously until 30th March 2023 to allow commissioners to pursue an appropriate re-procurement process.

Following the establishment of the NHS Sussex Integrated Care Board (ICB), the ICB commissioners requested a further extension of 18 months to 30th September 2024, to allow sufficient time to complete their service re-design process, followed by a robust procurement exercise.

The Board were cognisant of the need to ensure a robust, evidence based approach to the service re-design, and the potential impact on healthcare partners, patients, and staff, of a decision not to proceed.

On balance, the Board determined that a decision not to accept the extension would be detrimental to all relevant parties.

Employee involvement

Horder Healthcare continued to partner with Best Companies, to monitor employee engagement. A further staff engagement survey was issued during the reporting period, focusing on eight factors of engagement, which produced the following highlights:

- 66.2% participation rate;
- Horder Healthcare achieved the highest score in 'my team'. This indicates that there is trust, confidence, friendship and support, all elements that define the effectiveness of teamworking.
- Horder Healthcare committed to focusing on three factors of engagement - Leadership, Fair Deal and Giving Something Back. The organisational development program for all senior managers was further established. The review of employee benefits continued from the prior year, resulting in enhancement to healthcare cover and leave policies.
- Horder Healthcare continues to invest extensively into the continuous development of its staff. At present, there are six active apprentices, spanning nursing roles, IT, Learning and Development and Customer Service, with a further Operating Department Practitioner apprenticeship, which was offered from June 2023, to continue with the strategic aims to grow our own exceptional healthcare colleagues.
- The Leadership Academy, launched in January 2022, continues to support a host of colleagues across the organisation in upskilling in the field of leadership and management. Successful candidates achieve an NCFE Level 2 accredited qualification in Team Leading. Horder Healthcare uses funding streams to provide this opportunity to staff and has already supported 21 colleagues to achieve the qualification, with further places planned for 2023-2024.

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 and Mental Health First Aiders.

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Disabled persons

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

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

The number of known disabled persons employed by the Charity during the year was 14 (2022: 21).

Fundraising

Horder Healthcare is not reliant on fundraising to enable it to deliver its services, with fundraising income accounting for less than 1% of total income.

Only a small number of fundraising activities are undertaken each year which, in 2022/23, included the sale of Horder Healthcare merchandise and participation in the Unity Lottery. Income is also received from donations and the receipt of legacies and bequests.

The Charitable Funds Committee, chaired by the Chief Executive, oversees the collection and distribution of funds received from the above. 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. 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.

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.

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 has received no complaints regarding its fundraising activities or practices during the year (2022: none).

Income received from fundraising activities, including that received by way of donations, bequests and legacies, is earmarked to support the following projects:

- Clinical/medical research
- Clinical/medical training and education
- Community wellbeing

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Projects undertaken during 2022/23 include:

- The continuation of our nurse apprenticeship scheme, which has been supported in part by a number of generous bequests. We have three Trainee Nurse Associates undertaking a foundation degree with the University of Brighton, with one due to graduate very soon.
- Our surgical bursary scheme, introduced at The Horder Centre in 2018 for trainees in orthopaedic higher specialist training, continues. In March 2023, two recipients of these travelling bursaries gave presentations to our Medical Advisory Committee to feedback on their experiences and learning, with one having commenced a research fellowship at a clinic in Hamburg and the second commenced a fellowship in South Africa. Two further bursaries were awarded later in the year.
- At The McIndoe Centre, we continue to support the aesthetic fellows from Queen Victoria Hospital NHS Foundation Trust. At least three NHS trainee doctors each year are provided with a funded training opportunity in plastic surgery, mostly focussing on aesthetic surgery. This is aimed at providing the trainees with much wider training experience within the plastics specialty, which may be more difficult to obtain within the NHS.

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 2022/23.

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 2021/22 v 2022/23		
	2021/22	2022/23
Emissions from Purchased Electricity tCO ₂ e (Scope 2)	368.36	332.81
Emissions from Purchased fuel tCO ₂ e (Scope 2)	2.90	2.81
Emissions from Combustion of Gas tCO ₂ e (Scope 1)	241.68	122.05
Total Energy Usage to calculate consumptions CO ₂ e	612.94	457.67

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

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.

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. We have managed to lower our electric and gas consumption during 2022/23 by 49.5% on our gas consumption and 10.8% on our electric.

This has been achieved by work we have completed across sites to improve energy efficiency combined with a milder than average winter.

- We have continued working to replace fluorescent lighting with LED fittings. Our focus in the past year has been at The Horder Centre with a phased programme of replacement including the corridors and waiting areas on the ground floor. The McIndoe Centre has 95% of the fluorescent lighting replaced.
- Following works at The Horder Centre to replace and upgrade Building Management System controllers, we are now able to set time parameters for the use of Theatre plant. Prior to these works we carried out a survey of out of hours energy usage. Since the works were complete, we repeated the survey and the results revealed significant energy savings of up to 50% prior to the imposition of the time controls.
- Key to our journey towards carbon neutrality and the management of energy usage is the engagement with staff. Energy saving ideas and communications are included on the Horder Healthcare intranet. We publish details of energy usage on the internal communication 'impact boards' which provide all staff with visibility and the effects of energy saving initiatives.
- All future capital equipment requests such as new boilers, will consider their carbon impact.
- We will consider and appraise green initiative projects such as the installation of PV (solar) panels which will allow increasing levels of energy independence during the journey from fossil fuel usage to renewables.
- We continue to manage the use of the gas at The McIndoe Centre where possible using electricity to produce steam to wash and sterilise our surgical instruments.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

The data below shows the energy usage comparison between 2021/22 and 2022/23.

USAGE COMPARISON 2021/22 v 2022/23				
Volume (kWh/Litres)	2021/22	2022/23	Variance %	Variance kWh/litres
Electricity Consumption (kWh)	1,645,987	1,468,972	-10.8%	-177,015
Gas Consumption (kWh)	1,333,542	673,453	-49.5%	-660,090
Fuel Usage (litres)	10,471	10,154	-3.0%	-317 ltrs

Provision of information to auditors

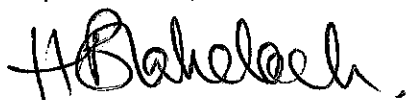
Each of the persons who are Directors at the time when this Board of Directors' Report is approved has confirmed that:

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

Auditor

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

This report and incorporated strategic report was approved by the Board of Directors on 25/01/2024 and signed on their behalf, by:



Mrs H Blakelock

Secretary

HORDER HEALTHCARE

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Statement of Directors' responsibilities

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

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

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

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities Act 2011, and the Charities (Accounts and Reports) Regulations 2008. 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 2023 and of the Group's incoming resources and application of resources and the Parent Charitable Company'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 ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 30 June 2023 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORDER HEALTHCARE

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.

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 Trustees' 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORDER HEALTHCARE

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be UK GAAP, Charities Act, Companies Act and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation, Care Quality Commission, employment law and data protection.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance (including the Audit Committee and internal audit) regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the area most susceptible to fraud to be management override of control.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias, including the provision for doubtful debt and determination of the deferred income balance.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORDER HEALTHCARE

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.


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.

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.

DocuSigned by:

BC8C15A11E97446...

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

31 January 2024

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 2023

		Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	Total Funds 2023 £000	Total Funds 2022 £000
	Notes				
Income from:					
Donations and legacies	3	54	-	54	99
Charitable activities	4	37,377	-	37,377	33,330
Other trading activities	5	839	-	839	535
Investments	6	220	-	220	-
Other	7	1,085	-	1,085	1,029
Total		39,575	-	39,575	34,993
Expenditure on:					
Charitable and other trading activities	8	40,452	10	40,462	36,836
Total		40,452	10	40,462	36,836
Net (expenditure) and Net movement in funds		(877)	(10)	(887)	(1,843)
Total funds at 1 July		61,807	36	61,843	63,686
Total funds at 30 June		60,930	26	60,956	61,843

The net movement in funds for the year arise from the charity's continuing operations. The notes on pages 25 to 39 form an integral part of these financial statements

HORDER HEALTHCARE

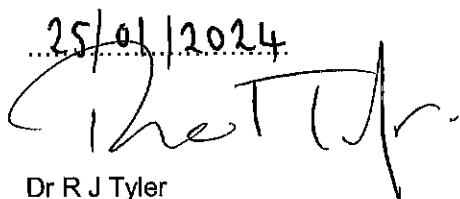
CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2023

Company No 03052242

	Notes	2023 £000	2022 £000
Fixed assets			
Tangible assets	14	52,697	53,465
Investment in joint venture	16	89	70
		<u>52,786</u>	<u>53,535</u>
Current assets			
Stock	17	817	651
Debtors	18	4,596	3,977
Cash at bank and in hand		8,279	9,271
		<u>13,692</u>	<u>13,899</u>
Creditors: amounts falling due within one year	19	<u>(5,522)</u>	<u>(5,591)</u>
Net current assets		8,170	8,308
Net assets		<u>60,956</u>	<u>61,843</u>
Funds of the group			
General		45,522	45,957
Unrestricted revaluation reserve		15,408	15,850
Restricted		26	36
Total funds	23	<u>60,956</u>	<u>61,843</u>

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

25/01/2024


Dr R J Tyler
Director

The notes on pages 25 to 39 form an integral part of these financial statements.

HORDER HEALTHCARE

CHARITY BALANCE SHEET

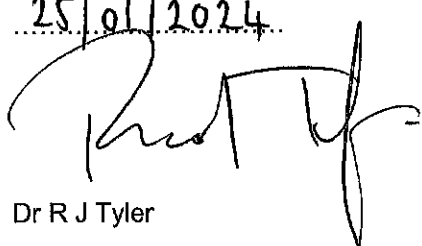
AS AT 30 JUNE 2023

Company No 03052242

	Notes	2023 £000	2022 £000
Fixed assets			
Tangible assets	14	52,697	53,465
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Current assets			
Stock	17	817	651
Debtors	18	4,596	3,977
Cash at bank and in hand		8,279	9,271
		<u>13,692</u>	<u>13,899</u>
Creditors: amounts falling due within one year	19	(5,522)	(5,591)
Net current assets		<u>8,170</u>	<u>8,308</u>
Total assets less current liabilities		<u>60,867</u>	<u>61,773</u>
Funds of the charity			
General		45,433	45,887
Unrestricted revaluation reserve		15,408	15,850
Restricted by bequest		26	36
Total funds	23	<u>60,867</u>	<u>61,773</u>

The consolidated accounts include income of £39,556,000 (2022: £34,968,000), expenditure of £40,462,000 (2022: £36,836,000) and a deficit of £906,000 (2022: deficit of £1,868,000) which is dealt within the accounts of the parent Company. The parent has taken advantage of section 408 of Companies Act 2006 not to present its unconsolidated Statement of Financial Activities.

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

25/01/2024


Dr R J Tyler
Director

HORDER HEALTHCARE

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £000	2022 £000
Cash inflow (used in)/from operating activities:			
Net cash (used in)/provided by operating activities	27	(237)	1,040
		<u>(237)</u>	<u>1,040</u>
Cash flows from investing activities:			
Interest received		220	-
Purchase of tangible fixed assets		(975)	(1,016)
		<u>(755)</u>	<u>(1,016)</u>
Net cash used in investing activities		(755)	(1,016)
Net (decrease)/increase in cash and cash equivalents	28	(992)	24
Cash and cash equivalents brought forward		9,271	9,247
Cash and cash equivalents carried forward		<u>8,279</u>	<u>9,271</u>
Relating to:			
Cash at bank and in hand		8,279	9,271
		<u>8,279</u>	<u>9,271</u>

The charity does not hold any debt and as such a net debt reconciliation is not provided as detailed in note 28.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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 17% before the Group and Charity would no longer forecast a positive cash balance. Taking into account 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 2023

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 16.

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.

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.

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 £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.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies (continued)

Impairment of fixed assets

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

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

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

Stock

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

Pensions

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

Employee benefits

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

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

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

Operating leases

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

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks 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.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies (continued)

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.

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.

The directors do not consider any of these judgements or estimations to have any significant effect on the financial statements.

3 Donations and legacies

	Unrestricted	
	Total 2023 £000	Total 2022 £000
Donations and covenants receivable	28	17
Bequests	26	82
	<u>54</u>	<u>99</u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

4 Income from Charitable activities

	Unrestricted	
	Total 2023 £000	Total 2022 £000
Provision of healthcare services	37,377	33,330

5 Other trading activities

	Unrestricted	
	Total 2023 £000	Total 2022 £000
Other income	792	481
Hire of facilities	47	54
	839	535

Included within other income in £506,052 (2022: £432,884) received in relation to the eTriage system.

6 Investments

	Unrestricted	
	Total 2023 £000	Total 2022 £000
Interest receivable	220	-

7 Other income

	Unrestricted	
	Total 2023 £000	Total 2022 £000
Expense recharges to SMSKP2 Limited	1,066	1,004
Share of surplus in joint venture	19	25
	1,085	1,029

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

8 Expenditure on Charitable activities

Patient services	Unrestricted 2023 £000	Restricted 2023 £000	Total 2023 £000	Total 2022 £000
Theatre and medical costs	15,658	-	15,658	14,784
Wages, salaries and national insurance	10,040	-	10,040	10,425
Pension cost	679	-	679	717
Depreciation	1,733	10	1,743	1,700
Support costs (note 9)	12,342	-	12,342	9,210
	<u>40,452</u>	<u>10</u>	<u>40,462</u>	<u>36,836</u>

Of the total charitable expenditure for the year to 30 June 2022 £10,485 is attributable to restricted funds and £36,825,668 to unrestricted funds.

9 Support costs

	Unrestricted	
	Total 2023 £000	Total 2022 £000
Catering, laundry and office costs	1,990	1,800
Legal and professional fees	469	364
Building and equipment maintenance	1,370	1,182
Staff costs	5,117	3,243
Finance costs	122	75
Clinical governance	22	24
Other direct costs	3,160	2,438
Governance	92	84
	<u>12,342</u>	<u>9,210</u>

10 Auditor's remuneration

	2023 £000	2022 £000
Audit fees	72	58
Additional prior year fees	20	-
	<u>92</u>	<u>58</u>

11 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.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

12 Staff costs and remuneration of key management personnel

Charity and Group

	2023 £000	2022 £000
Wages and salaries	14,453	12,421
Social security costs	1,323	1,247
Pension costs	738	717
	<u>16,514</u>	<u>14,385</u>

Employees

The number of higher paid employees, including clinicians, remuneration including taxable benefits in kind and redundancy/termination payments but not employer pension contributions nor employer National Insurance contribution costs was:

	2023 No.	2022 No.
In the band £60,001 - £70,000	6	11
In the band £70,001 - £80,000	4	6
In the band £80,001 - £90,000	4	5
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	1	1
In the band £120,001 - £130,000	1	1
In the band £140,001 - £150,000	-	1
In the band £150,001 - £160,000	1	-
In the band £160,001 - £170,000	1	-
In the band £170,001 - £180,000	1	-
In the band £180,001 - £190,000	-	1
In the band £230,001 - £240,000	-	1
	<u>20</u>	<u>27</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 £185,597 (2022: £235,901), in addition, pension contributions for the year were £21,424 (2022: £22,943).

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 £nil (2022: £13,736); in addition, pension contributions for the year were £nil (2022: £1,151).

The number of directors to whom retirement benefits are accruing is 2 (2022: 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 £419,677 (2022: £494,711). 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 3 trustees (2022: 2) received reimbursement of travel expenses totalling £789 (2022: £790).

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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

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

	2023 No.	2022 No.
Clinical	196	181
Clinical support	84	85
Non-clinical	148	143
	<u>428</u>	<u>409</u>

13 Net expenditure

	2023 £000	2022 £000
This is stated after charging:		
Depreciation	1,743	1,700
Operating lease rentals	<u>23</u>	<u>23</u>

14 Tangible fixed assets – Group and Charity

	Freehold Land and Buildings £000	Equipment £000	Motor Vehicles £000	Total £000
Cost				
At 1 July 2022	57,680	12,577	119	70,376
Additions	<u>141</u>	<u>798</u>	<u>36</u>	<u>975</u>
At 30 June 2023	<u>57,821</u>	<u>13,375</u>	<u>155</u>	<u>71,351</u>
Depreciation				
At 1 July 2022	6,897	9,916	98	16,911
Charge for the year	<u>954</u>	<u>780</u>	<u>9</u>	<u>1,743</u>
At 30 June 2023	<u>7,851</u>	<u>10,696</u>	<u>107</u>	<u>18,654</u>
Net book value				
At 30 June 2023	<u>49,970</u>	<u>2,679</u>	<u>48</u>	<u>52,697</u>
At 30 June 2022	<u>50,783</u>	<u>2,661</u>	<u>21</u>	<u>53,465</u>

Included within freehold land and buildings is £10,003,809 (2022: £10,003,809) of freehold land.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

15 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

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 2023 (2022: £nil).

The total cost of the shares held in Horder MSK Limited is £2 (2022: £2). The aggregate capital and reserves of Horder MSK Limited at 30 June 2023 was £2 (2022: £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. An application to strike these companies off the register at Companies House was made on 26 September 2023.

** Full details on SMSKP2 Limited can be found on note 16.

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

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

16 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:	2023	2022
	£000	£000
Share of current assets	3,958	5,852
Liabilities due within one year	(3,869)	(5,782)
	<hr/>	<hr/>
Share of net assets	89	70
	<hr/>	<hr/>
 Share of Joint venture income and expenditure:	 2023	 2022
	£000	£000
Share of turnover	19,398	19,718
Share of expenses	(19,379)	(19,693)
	<hr/>	<hr/>
Share of surplus	19	25
	<hr/>	<hr/>

The financial year end for SMSKP2 Limited is 31 March 2023. Therefore, the share of net assets and share in surplus for the year have been taken from the Company's management accounts for the period to 30 June 2023. 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.

17 Stock – Group and Charity

	2023	2022
	£000	£000
Theatre, medical and surgical consumables and drugs	581	433
Prosthesis	236	218
	<hr/>	<hr/>
	817	651
	<hr/>	<hr/>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

18 Debtors – Group and Charity

	2023 £000	2022 £000
Fee debtors	2,130	1,942
Other debtors	281	228
Prepayments and accrued income	2,185	1,807
	<u>4,596</u>	<u>3,977</u>

Included in Fee debtors is £198,704 (2022: £632,357) owed by SMSKP2 Limited.

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

	2023 £000	2022 £000
Trade creditors	1,220	1,319
Social security and other taxes	276	421
Other creditors	120	85
Accruals	2,141	1,621
Deferred income (note 20)	1,765	2,145
	<u>5,522</u>	<u>5,591</u>

20 Deferred income – Group and Charity

	2023 £000	2022 £000
Deferred income as at 1 July	2,145	2,107
Income received requiring deferment	1,765	2,145
Release of income during the year	(2,145)	(2,107)
	<u>1,765</u>	<u>2,145</u>

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

21 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 £737,995 (2022: £717,085). The amount outstanding at the balance sheet date was £114,037 (2022: £85,032) and is shown within other creditors.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

22 Related party transactions

During the year the charity recharged SMSKP2 Limited, a company which Horder MSK Limited has joint control over, £1,066,147 (2022: £1,004,307) for costs incurred on their behalf. Income of £14,068,682 (2022: £13,384,983) was received through contract activity. At the balance sheet date £198,704 (2022: £632,357) was outstanding by SMSKP2 Limited and is included in fee debtors.

During the year the charity purchased pharmacy supplies totalling £nil (2022: £17,548) from The Tunbridge Wells Post Graduate Centre Trust of which trustee Mr D W Yates is also a trustee.

23 Funds

Group	General fund	
	2023 £000	2022 £000
Balance at 1 July	45,957	47,348
Movement in funds for the year	(877)	(1,833)
Transfer from revaluation reserve	442	442
	<hr/>	<hr/>
Balance at 30 June	45,522	45,957
	<hr/>	<hr/>

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.

Charity	General fund	
	2023 £000	2022 £000
Balance at 1 July	45,887	47,303
Movement in funds for the year	(896)	(1,858)
Transfer from revaluation reserve	442	442
	<hr/>	<hr/>
Balance at 30 June	45,433	45,887
	<hr/>	<hr/>

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

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

23 Funds (continued)

Group and Charity	Revaluation reserve	
	2023 £000	2022 £000
Balance at 1 July	15,850	16,292
Transfer	(442)	(442)
Balance at 30 June	<u>15,408</u>	<u>15,850</u>

The revaluation reserve relates to the revaluation of freehold property. The transfer made is in relation to excess depreciation being charged on the revalued 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	
	2023 £000	2022 £000
Balance at 1 July	36	46
Movement in funds for the year	(10)	(10)
Balance at 30 June	<u>26</u>	<u>36</u>

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

24 Analysis of net assets between funds

Group 2023

	Tangible & Intangible fixed assets £000	Net current assets £000	Total 2023 £000
General fund	37,352	8,170	45,522
Revaluation reserve	15,408	-	15,408
Restricted fund	26	-	26
	<u>52,786</u>	<u>8,170</u>	<u>60,956</u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

24 Analysis of net assets between funds (continued)

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>

Charity 2023

	Tangible & Intangible fixed assets £000	Net current assets £000	Total 2023 £000
General fund	37,263	8,170	45,433
Revaluation reserve	15,408	-	15,408
Restricted fund	26	-	26
	<u>52,697</u>	<u>8,170</u>	<u>60,867</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 2023

25 Commitments under operating leases – Group and Charity

The charity leases assets 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:

	2023 £000	2022 £000
Less than one year	52	20
Between 2 and 5 years	28	12
	<u>80</u>	<u>32</u>

26 Capital commitments – Group and Charity

	2023 £000	2022 £000
Contracted for and not provided in the balance sheet	<u>-</u>	<u>1,702</u>

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

27 Net cash flow from operations - Group

	2023 £000	2022 £000
Deficit for the year	(887)	(1,843)
Share of joint venture surplus	(19)	(25)
Depreciation	1,743	1,700
Investment income	(220)	-
(Increase)/decrease in stocks	(166)	58
(Increase)/decrease in debtors	(620)	1,425
Decrease in creditors	(68)	(275)
Net cash (outflow)/inflow from operating activities	<u>(237)</u>	<u>1,040</u>

28 Reconciliation of changes in net cash – Group

	1 July 2022 £000	Cash flows £000	30 June 2023 £000
Cash and cash equivalents	9,271	(992)	8,279
Total net cash	<u>9,271</u>	<u>(992)</u>	<u>8,279</u>