

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 2024

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:

Mrs S C Sjuve (Chair)
Dr R J Tyler (Chief Executive)
Mr J C Anscombe
Dr C E Bell (resigned 28 November 2024)
Mr M S Colyer
Dr D A Hicks (resigned 7 August 2024)
Mrs J Grover
Mrs D C Jones
Mr H M Kelly (appointed 4 September 2024)
Mr R J McCarthy
Mrs A L Parker
Dr D W Yates

Company secretary

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 2024. 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 one active wholly owned subsidiary company:

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 2024	Profit for the year 2024
	£	£
SMSKP2 Limited	203,012	47,851

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.

Dissolution of wholly owned subsidiaries

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). In December 2023 the intermediate holding company and the seven subsidiary companies were formally dissolved.

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.

HORDER HEALTHCARE

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 30 November 2023 Mrs A L Parker, Dr D W Yates and Mr R J McCarthy retired from the Board and being eligible were re-elected.

Dr D A Hicks and Dr C E Bell subsequently retired from the Board in August 2024 and November 2024 respectively. Mrs H L Blakelock was appointed Company Secretary in July 2023 and Mr H M Kelly was appointed as a Director in September 2024.

At the General Meeting on 13 January 2025, Mr J C Anscombe, Mr M S Colyer, Mrs J Grover and Mrs D C Jones retired by rotation and were duly re-elected to the Board of Directors.

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. A mandatory training policy for Board Directors was endorsed by the Board in March 2024.

The Board meets formally up to 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.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Board Committees

In addition to the Board, there are Remuneration, Finance and Resource, Audit and Risk, 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

2023-24 was a financially challenging year. Whilst the forecasted income level was achieved, the full year EBITDA deficit was £800k with a net loss after depreciation of £2.5m. The operating loss (EBITDA) for the year has inevitably had an impact on cash reserves which have reduced from £8.3m to £5.8m during 2023-24. To assist with the funding of the operating losses, the Directors transferred £1.5m from the deposit account to the current account.

Whilst the financial position has proved challenging, an ongoing focus on recruitment and retention saw clinical vacancy levels fall to 5.42% (2023 - 6.46%) by year-end, and clinical turnover reduced to 10.59% (2023 - 20.91%). This has been boosted by the successful onboarding of our first tranche of overseas nurses and was reflected in a steady downward trend in the use of agency staff throughout the year.

Similarly, levels of patient satisfaction remained high, with over 99% of patients rating their care as good or very good. We have successfully trialled a new pathway for hip replacement patients which has resulted in a 15% reduction from 2.47 days in the previous period to 2.09 days in the current period, in the length of stay, as well as reducing catheterisation rates and patient cancellations.

Finally, as part of our commitment to achieve net zero carbon emissions by 2030, we have agreed to install solar panels at both the Horder Centre and the McIndoe Centre. This will reduce our reliance on carbon-based energy, resulting in reduced emissions and reduced energy costs.

Quality and Outcome Measures/Key Performance Indicators

The strategic objectives table on page 5 highlights key achievements during 2023-24 against the organisation's six strategic objectives. Individual objectives, with related key performance indicators, are signed off by the Board of Trustees at the beginning of the year. These objectives are then cascaded through individual executives to their respective teams. Performance against each of the KPIs and, where relevant, the annual target are also included in the table.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

STRATEGIC OBJECTIVES: 2023 - 24 – PERFORMANCE AGAINST KEY PERFORMANCE METRICS					
KEY PARTNER TO THE NHS	DELIVER OUTSTANDING CARE	EMPLOYER OF CHOICE	STRENGTHENING THE COMMUNITY	SOUND FINANCIAL MANAGEMENT	FIRST CHOICE FOR PRIVATE PATIENTS
We will support the NHS by; providing rapid direct access for NHS patients via ERS; partnering with NHS providers to treat long waiters; & through the on-going provision of community MSK services.	We will achieve top decile performance against recognised and relevant patient experience, outcome and safety measures, as well as achieving and maintaining CQC 'outstanding' ratings.	We will become recognised as the local employer of choice through an 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.	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.	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.	We will increasingly become the provider of choice for private patients as evidenced by annual growth rates that are at least equal to IS industry benchmarks, and, where available, comparative benchmarking data such as the National Joint Registry.
<ol style="list-style-type: none"> QVH contract in place Q1-3 (target full year) QVH – revised contract in place from Q4 (target longer term contract successfully negotiated) MSK East – successful in bid for revised MSK contract 	<ol style="list-style-type: none"> Maintained positive outlier 1/3 hip & knee PROMS scores* (Target: maintain or improve hip & knees PROMS to positive outlier 2/3 scores) M12 100% patients rating care as good/very good. (Target maintain > 95% patient rating care as good/very good (Source M12 Quality Report)) Embedded understanding and collated evidence against Quality Standards as per new CQC methodology Achieved 2023 Quality Account Objectives (Source Quality Account 2024) <p>*per PROMS data 21/22 released in July 2023.</p>	<ol style="list-style-type: none"> Achieved clinical turnover to 10.59% (target <18% of clinical workforce) Achieved clinical vacancies to 5.42% (target <7% clinical workforce) Achieved clinical temporary staffing of 7.54% at TMC Achieved clinical temporary staffing of 23.4% at THC (target <20% clinical establishment) 	<ol style="list-style-type: none"> Annual reduction in carbon emissions in line with 2035 net zero commitment Agreement in principle to revisit surgical trainee posts at THC subject to financial constraints Revisit charitable funds strategy as part of wider review of charitable purpose 	<ol style="list-style-type: none"> Year-end deficit £2.5m vs budgeted deficit £1.1m Successfully introduced a series of initiatives to increase overall levels of private activity 	<ol style="list-style-type: none"> THC – Private activity 28% overall admissions (target 25%) THC – 19.5% YOY increase private income (target 4.4%) TMC – 18% drop in private activity (target- maintain private activity in line with 22/23 run-rate) TMC – 9% drop overall income (target 7.2% increase overall income)

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 and Risk Committee. Reports are issued to and reviewed by the Audit Committee. During 2023-24 this included a review of:

- Financial close & reporting
- Fixed assets
- Creditors
- Patient billing & debtors
- Financial controls

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 2023-24, with associated mitigated programmes.

Key Strategic Objectives	Principal Risks	Management Programmes 2023-24	Current Risk Exposure	Rationale
Key partner to the NHS	1. Risk of reduction in East Sussex NHS orthopaedic activity	Bid for revised NHS MSK pathway contract	Reduced	Bid successful
Delivering outstanding care	2. Risk of severe patient injury or never event	Clinical assurance programme	Reduced	Absence of never events and reduction in patient safety incidents
Employer of choice	3. Risk of inability to recruit & retain clinical staff	Recruitment & retention strategy	Reduced	Reduced level of clinical vacancies and increased retention levels

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Key Strategic Objectives	Principal Risks		Mitigation Programmes 2023-24	Current Risk Exposure	Rationale
Strengthening the community	4.	Failure to demonstrate charitable purpose	Refreshing Charitable Funds Strategy	Unchanged	
Sound financial management	5.	Risk to financial sustainability due to deterioration in margins and/or increased cost base	Medium term financial strategy	Increased	Failure of NHS tariff to keep pace with inflation.
Preferred choice for private patients	6.	Failure to attract private patients	Enhanced marketing New outreach clinic	Unchanged	

Over the past year there are a variety of factors which are driving up the increase in risk both externally and internally. The major external factors included:

- Uncertainties of Global politics
- Potential environmental changes due to climate change leading to increased rainfall and flooding alongside temperature increases
- Domestic economic instability
- Difficulties in supply chain and procurement for certain products due to all of the above

Internal factors included

- Uncertainty in change of CQC regulations and pace of change
- Recruitment and retention of clinical staff at THC due to location (although reduced due to use of overseas recruitment)
- Increase costs across all areas of operational activity

Future Developments

2024-25 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.

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.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Reserves Policy

Horder Healthcare's consolidated funds at 30 June 2024 amounted to £58.5m of which £51.8m is represented by buildings, other fixed assets and restricted funds, leaving unrestricted funds of £6.7m.

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 organisation 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 unrestricted funds of £6m (actual for 31 March 2024 - £6.7m). 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 unrestricted funds which equates to 2 months of expenditure. 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

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.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

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.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

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 2023-24.

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 to measure employee engagement and addressing any concerns;• Monthly formal 'all staff' Executive video briefings;• Quarterly face to face executive briefings;• 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• Equality, inclusion and diversity programme with dedicated focus groups;• Launch of the great place to work group.
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 Patient Reported Outcome Measures (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 Integrated Care Boards (ICBs).

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
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.
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 General Medical Council 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.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Significant Decisions

The table below sets out key decisions taken by the Board during 2023-24 and how stakeholder views and feedback were considered in its decision making.

Agreement to support the NHS elective recovery programme through a number of specific waiting list initiatives
S172 matter affected <ul style="list-style-type: none">• Healthcare Partners• Our patients• Our people Action and impact of the decision <ol style="list-style-type: none">1. Provide theatre capacity at the McIndoe Centre (TMC) for Queen Victoria Hospital NHS Foundation Trust (QVH) to support successful reduction of NHS waiting lists.2. Enter into a contract with University Hospitals Sussex (UHSx) NHS Foundation Trust at TMC to treat long-waiting NHS maxillo-facial patients in West Sussex.3. Enter into a contract with UHSx at the Horder Centre to treat NHS orthopaedic patients to support the successful reduction in NHS waiting list in West Sussex.
Introduction of a range of initiatives to increase the scope of services available to private patients across East and West Sussex.
S172 matter affected <ul style="list-style-type: none">• Our patients• Our people Action and impact of the decision <ol style="list-style-type: none">1. Opening of an orthopaedic outreach clinic at the Amex stadium in Brighton to increase access for private patients in West Sussex.2. Introduce a comprehensive women's health 'health-check' service at TMC in recognition of a growing unmet need in this service area.3. Introduce minimally invasive glaucoma surgery at TMC, the first service of its kind in the area.4. Introduce an 'in-house' medical tattooing service at TMC to provide 'one-stop- support' to our breast reconstruction service.5. Introduce an outpatient sleep studies service at TMC in recognition of locally unmet need in this service area.

Employee involvement

Horder Healthcare continue to monitor employee engagement.

- Horder Healthcare continues to invest extensively into the continuous development of its staff. At present, there are eight active apprentices, spanning nursing roles, IT, Learning and Development and Customer Service, as well as an Operating Department Practitioner apprenticeship, which helps the strategic aims to grow our own exceptional healthcare colleagues.
- The Leadership Academy, 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 29 colleagues to achieve the qualification, with further places planned for 2024-25.
- Twelve colleagues have completed ILM 3 accreditation, through a funded scheme, a further ten will complete in 2024-25.
- Horder Healthcare received the Carer Friendly award in 2024.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

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.

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 13 (2023:14).

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 2023-24, 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 ending 30 June 2024.

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

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Projects undertaken during 2023-24 include:

- The continuation of our nurse apprenticeship scheme, which has been supported in part by a number of generous bequests. The Trainee Nurse Associates have undertaken a foundation degree with the University of Brighton, with the final candidate due to graduate very soon. Our surgical bursary scheme, introduced at The Horder Centre in 2018 for trainees in orthopaedic higher specialist training, continued. In Autumn 2023, three bursaries were awarded to support successful applicants with their fellowships.
- For the financial year 2023-24 The McIndoe Centre continued to support the aesthetic fellows from Queen Victoria Hospital NHS Foundation Trust. At least three NHS trainee doctors per 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

To enhance the comprehensiveness and accuracy of Horder Healthcare's carbon footprint measurement, Horder Healthcare utilised the Clean Growth UK Carbon Calculator in the current year. This tool enabled Horder Healthcare to assess all three scopes of greenhouse gas emissions as defined by the Greenhouse Gas Protocol. While this approach provides a more holistic view of our emissions.

To ensure accurate and consistent reporting aligned with our Net Zero target, Horder Healthcare is developing an in-house carbon calculator. This will allow for a more granular analysis of the emissions and facilitate effective reduction strategies.

The data detailed in this report represent energy use and emissions for which Horder Healthcare is responsible for the financial year 2023-24.

We are committed to transparent reporting and will continue to refine our methodology to provide an accurate representation of our carbon footprint.

Greenhouse Gas (GHG) Emissions comparison 2022-23 v 2023-24		
	2022-23	2023-24
Emissions from Purchased Electricity tCO ₂ e (Scope 2)	332.81	430.03
Emissions from Purchased fuel tCO ₂ e (Scope 3)	2.81	2.95
Emissions from Combustion of Gas tCO ₂ e (Scope 1)	253.72*	307.39
Total Energy Usage to calculate consumptions tCO ₂ e	589.34*	740.37

* The process to calculate emissions has been adjusted in the current year to provide a more accurate representation. The 2022-23 amounts have been revised to account for this change in calculation.

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.

tCO₂e stands for tonnes (t) of carbon dioxide (CO₂) equivalent (e). This unit is used to measure the impact of different greenhouse gases (GHGs) in terms of the amount of CO₂ that would have the same global warming effect.

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

Over the last several years Horder Healthcare have been working hard and making changes. In previous years we made some significant reductions in our electric and gas consumption, but unfortunately this year has seen an increase in both electricity and gas consumption. Several key factors have contributed to this rise:

Unusually Cold Winter: This winter was significantly colder and extended compared to the mild winter we have previous year. This resulted in increased demand for heating, consequently elevating gas consumption.

Extended Air Conditioning Usage: There was a corresponding increase in air conditioning usage across the site. This additional cooling load contributed to higher electricity consumption.

New Washer Installation: The installation of a new washer in the Sterile Service Unit has led to an increase in electricity consumption. While this new equipment is more energy efficient in the long term, the initial operational phase typically involves higher energy usage.

Despite these challenges, we have made progress in reducing energy consumption through LED lighting replacements at The Horder Centre and ongoing efforts to optimise the Building Management Systems (BMS).

By implementing targeted energy efficiency measures and exploring renewable energy options, we aim to reduce our energy consumption and carbon footprint in the coming year.

- **Solar panel programme:** Project is in progress to install solar panels at Horder Centre and McIndoe centre. This is part of our sustainable plan in order to reach our Net Zero target. Work started in February 2025 at the Horder site, the project is expected to take approximately 8 weeks. The McIndoe centre installation will follow the completion of the Horder Centre works.
- **LED Lighting:** We have continued the phased replacement of fluorescent lighting with LED fittings. Our focus in the past year has been at the Horder Centre with a phased programme of replacement. The current phase includes the ceiling strip lights on the main patient ward.
- **Building Management System:** Work continues with the BMS controllers to ensure that the energy usage matches our business activity.
- **Future Capital:** Carbon impact and the sourcing of more energy efficient solutions will be considered as part of all future capital equipment requests.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

- **Staff Engagement:** Key to our journey towards Net Zero and the management of energy usage is the engagement with staff. Sustainable ideas and communications are completed via our Green Champions who are a working group consisting of staff members across the business who are passionate about creating a sustainable workplace. The team meet bi-monthly to set and action goals.
- **Green Transition Crowborough:** We have joined Green Transition Crowborough which is a community organisation that promotes local action to address climate change and encourage sustainability. We will be working together to review our sustainability practice.
- **Improved Reporting:** We are currently only reporting in our energy and fuel usage. Going forward we will now be reporting on all aspects of Scope 1,2 and 3 capturing items such as waste disposal and water usage. This report will give us the opportunity to focus on areas for improvement.
- **Waste Management:** We are moving towards reclassifying part of our clinical waste as Tiger Waste. Clinical waste requires intensive treatment, while Tiger waste is less hazardous and can often be treated through landfilling or energy recovery. There is a focus on reducing waste generation, enhancing segregation, and encouraging greater recycling.

We are working to reduce the unnecessary use of materials such as PPE, skin prep and couch roll.

We are exploring alternatives to single-use items, such as aprons, gowns, masks, tourniquets, eye protection, curtains, surgical instruments, anaesthetic masks, and sharps bins.

The data below shows the energy usage comparison between 2022-23 and 2023-24:

Usage comparison 2022-23 v 2023-24				
Volume (kWh/Litres)	2022-23	2023-24	Variance %	Variance KWH
Electricity Consumption	1,468,972	1,898,080	29.2%	429,108
Gas Consumption	1,399,950*	1,696,085	21.2%	296,135
Fuel Usage	10,154	10,643	4.8%	489

* The process to calculate emissions has been adjusted in the current year to provide a more accurate representation. The 2022-23 amounts have been revised to account for this change in calculation.

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.

The Directors are considering a number of options to look at strategies to secure the future of the organisation. 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 a downward in revenue 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 10% 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

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

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.

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.

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 on11/03/2025..... and signed on their behalf, by:



Mrs S C Sjuve
Director

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 2024 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 2024 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORDER HEALTHCARE

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 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:

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; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORDER HEALTHCARE

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.

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

13 March 2025

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 2024

		Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	Total Funds 2024 £000	Total Funds 2023 £000
	Notes				
Income from:					
Donations and legacies	3	312	-	312	54
Charitable activities	4	38,568	-	38,568	37,377
Other trading activities	5	753	-	753	839
Investments	6	313	-	313	220
Other	7	1,109	-	1,109	1,085
Total		41,055	-	41,055	39,575
Expenditure on:					
Charitable and other trading activities	8	43,547	10	43,557	40,462
Total		43,547	10	43,557	40,462
Net (expenditure) and Net movement in funds		(2,492)	(10)	(2,502)	(887)
Total funds at 1 July		60,930	26	60,956	61,843
Total funds at 30 June		58,438	16	58,454	60,956

The net movement in funds for the year arise from the charity's continuing operations. The notes on pages 27 to 41 form an integral part of these financial statements.

HORDER HEALTHCARE

CONSOLIDATED BALANCE SHEET

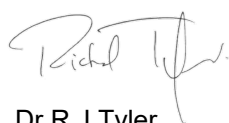
AS AT 30 JUNE 2024

Company No 03052242

	Notes	2024 £000	2023 £000
Fixed assets			
Tangible assets	14	51,657	52,697
Investment in joint venture	16	119	89
		<u>51,776</u>	<u>52,786</u>
Current assets			
Stock	17	797	817
Debtors	18	4,743	4,596
Cash at bank and in hand		5,830	8,279
		<u>11,370</u>	<u>13,692</u>
Creditors: amounts falling due within one year	19	(4,692)	(5,522)
Net current assets		<u>6,678</u>	<u>8,170</u>
Net assets		<u><u>58,454</u></u>	<u><u>60,956</u></u>
Funds of the group			
General		43,472	45,522
Unrestricted revaluation reserve		14,966	15,408
Restricted		16	26
Total funds	23	<u><u>58,454</u></u>	<u><u>60,956</u></u>

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

11/03/2025



Dr R J Tyler

Director

The notes on pages 27 to 41 form an integral part of these financial statements.

HORDER HEALTHCARE

CHARITY BALANCE SHEET

AS AT 30 JUNE 2024

Company No 03052242

	Notes	2024 £000	2023 £000
Fixed assets			
Tangible assets	14	51,657	52,697
		<u>51,657</u>	<u>52,697</u>
Current assets			
Stock	17	797	817
Debtors	18	4,743	4,596
Cash at bank and in hand		5,830	8,279
		<u>11,370</u>	<u>13,692</u>
Creditors: amounts falling due within one year	19	(4,692)	(5,522)
		<u>6,678</u>	<u>8,170</u>
Net current assets			
		<u>58,335</u>	<u>60,867</u>
Total assets less current liabilities			
		<u>58,335</u>	<u>60,867</u>
Funds of the charity			
General		43,353	45,433
Unrestricted revaluation reserve		14,966	15,408
Restricted by bequest		16	26
		<u>58,335</u>	<u>60,867</u>
Total funds	23	<u>58,335</u>	<u>60,867</u>

The consolidated accounts include income of £41,043,000 (2023: £39,556,000), expenditure of £43,578,000 (2023: £40,462,000) and a deficit of £2,535,000 (2023: deficit of £906,000) 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

11/03/2025



Dr R J Tyler

Director

HORDER HEALTHCARE

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 £000	2023 £000
Cash inflow used in operating activities:			
Net cash used in by operating activities	26	(2,100)	(237)
		<u>(2,100)</u>	<u>(237)</u>
Cash flows from investing activities:			
Interest received		313	220
Purchase of tangible fixed assets		(662)	(975)
		<u>(349)</u>	<u>(755)</u>
Net cash used in investing activities		(349)	(755)
Net decrease in cash and cash equivalents	27	(2,449)	(992)
Cash and cash equivalents brought forward		8,279	9,271
Cash and cash equivalents carried forward		<u>5,830</u>	<u>8,279</u>
Relating to:			
Cash at bank and in hand		5,830	8,279
		<u>5,830</u>	<u>8,279</u>

The charity does not hold any debt and as such a net debt reconciliation is not provided as detailed in note 27.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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.

The Directors are considering a number of options to look at strategies to secure the future of the organisation. 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 a downward in revenue 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 10% 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 2024

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 2024

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 2024

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.

Recoverability of debtors

The charity establishes a provision for debtors that are estimated not to be recoverable. When assessing recoverability, the directors consider factors such as the ageing of the debtors and past experience of recoverability.

3 Donations and legacies

	Unrestricted	
	Total 2024 £000	Total 2023 £000
Donations and covenants receivable	10	28
Bequests	302	26
	<u>312</u>	<u>54</u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

4 Income from Charitable activities

	Unrestricted	
	Total 2024 £000	Total 2023 £000
Provision of healthcare services	38,568	37,377

5 Other trading activities

	Unrestricted	
	Total 2024 £000	Total 2023 £000
Other income	703	792
Hire of facilities	50	47
	753	839

Included within other income in £575,437 (2023: £506,052) received in relation to the eTriage system.

6 Investments

	Unrestricted	
	Total 2024 £000	Total 2023 £000
Interest receivable	313	220

7 Other income

	Unrestricted	
	Total 2024 £000	Total 2023 £000
Expense recharges to SMSKP2 Limited	1,079	1,066
Share of surplus in joint venture	30	19
	1,109	1,085

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

8 Expenditure on Charitable activities

Patient services	Unrestricted 2024 £000	Restricted 2024 £000	Total 2024 £000	Total 2023 £000
Theatre and medical costs	15,859	-	15,859	15,658
Wages, salaries and national insurance	10,962	-	10,962	10,040
Pension cost	498	-	498	679
Depreciation	1,692	10	1,702	1,743
Support costs (note 9)	14,536	-	14,536	12,342
	<u>43,547</u>	<u>10</u>	<u>43,557</u>	<u>40,462</u>

Of the total charitable expenditure for the year to 30 June 2023, £10,032 is attributable to restricted funds and £40,452,257 to unrestricted funds.

9 Support costs

	Unrestricted	
	Total 2024 £000	Total 2023 £000
Catering, laundry and office costs	1,866	1,990
Legal and professional fees	500	469
Building and equipment maintenance	1,506	1,370
Staff costs	6,462	5,117
Finance costs	257	122
Clinical governance	43	22
Other direct costs	3,798	3,160
Governance	104	92
	<u>14,536</u>	<u>12,342</u>

10 Auditor's remuneration

	2024 £000	2023 £000
Audit fees	92	72
Under accrual of prior year fees	12	20
	<u>104</u>	<u>92</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 2024

12 Staff costs and remuneration of key management personnel

Charity and Group

	2024 £000	2023 £000
Wages and salaries	15,886	14,453
Social security costs	1,492	1,323
Pension costs	868	738
	<u>18,246</u>	<u>16,514</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:

	2024 No.	2023 No.
In the band £60,001 - £70,000	11	6
In the band £70,001 - £80,000	9	4
In the band £80,001 - £90,000	8	4
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	1
In the band £120,001 - £130,000	1	1
In the band £150,001 - £160,000	2	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	-
	<u>34</u>	<u>20</u>

Dr R Tyler the Chief Executive, a member of the Senior Executive team was also a member of the Board of Directors and received remuneration and benefits for his services in that office, through an employment contract with the charity, was £192,601 (2023: £185,597), in addition, pension contributions for the year were £59,387 (2023: £21,424).

The number of directors to whom retirement benefits are accruing is 2 (2023: 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 £469,073 (2023: £419,677). 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 (2023: 3) received reimbursement of travel expenses totalling £455 (2023: £789).

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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

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

	2024 No.	2023 No.
Clinical	205	196
Clinical support	81	84
Non-clinical	160	148
	<u>446</u>	<u>428</u>

13 Net expenditure

	2024 £000	2023 £000
This is stated after charging:		
Depreciation	1,702	1,743
Operating lease rentals	54	23
Auditor's remuneration	104	92
	<u>1,860</u>	<u>1,858</u>

14 Tangible fixed assets – Group and Charity

	Freehold Land and Buildings £000	Equipment £000	Motor Vehicles £000	Total £000
Cost				
At 1 July 2023	57,821	13,375	155	71,351
Additions	267	395	-	662
	<u>58,088</u>	<u>13,770</u>	<u>155</u>	<u>72,013</u>
At 30 June 2024	<u>58,088</u>	<u>13,770</u>	<u>155</u>	<u>72,013</u>
Depreciation				
At 1 July 2023	7,851	10,696	107	18,654
Charge for the year	959	733	10	1,702
	<u>8,810</u>	<u>11,429</u>	<u>117</u>	<u>20,356</u>
At 30 June 2024	<u>8,810</u>	<u>11,429</u>	<u>117</u>	<u>20,356</u>
Net book value				
At 30 June 2024	<u>49,278</u>	<u>2,341</u>	<u>38</u>	<u>51,657</u>
At 30 June 2023	<u>49,970</u>	<u>2,679</u>	<u>48</u>	<u>52,697</u>

Included within freehold land and buildings is £10,003,809 (2023: £10,003,809) of freehold land.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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
Horder MSK Limited	09182301	Ordinary	100
SMSKP2 Limited*	09248713	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 2024 (2023: £nil).

The total cost of the shares held in Horder MSK Limited is £2 (2023: £2). The aggregate capital and reserves of Horder MSK Limited at 30 June 2023 was £2 (2023: £2), the total assets were £4 and total liabilities were £2.

* 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 2024

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:	2024	2023
	£000	£000
Share of current assets	2,545	3,958
Liabilities due within one year	(2,426)	(3,869)
	<hr/>	<hr/>
Share of net assets	119	89
	<hr/>	<hr/>
 Share of Joint venture income and expenditure:	 2024	 2023
	£000	£000
Share of turnover	20,705	19,398
Share of expenses	(20,675)	(19,379)
	<hr/>	<hr/>
Share of surplus	30	19
	<hr/>	<hr/>

The financial year end for SMSKP2 Limited is 31 March 2024. 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 2024. 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

	2024	2023
	£000	£000
Theatre, medical and surgical consumables and drugs	515	581
Prosthesis	282	236
	<hr/>	<hr/>
	797	817
	<hr/>	<hr/>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

18 Debtors – Group and Charity

	2024 £000	2023 £000
Fee debtors	3,152	2,130
Other debtors	211	281
Prepayments and accrued income	1,380	2,185
	<u>4,743</u>	<u>4,596</u>

Included in Fee debtors is £481,622 (2023: £198,704) owed by SMSKP2 Limited.

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

	2024 £000	2023 £000
Trade creditors	1,142	1,220
Social security and other taxes	389	276
Other creditors	269	120
Accruals	1,991	2,141
Deferred income (note 20)	901	1,765
	<u>4,692</u>	<u>5,522</u>

20 Deferred income – Group and Charity

	2024 £000	2023 £000
Deferred income as at 1 July	1,765	2,145
Income received requiring deferment	593	1,765
Release of income during the year	(1,457)	(2,145)
	<u>901</u>	<u>1,765</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 £2,102,000 (2023: £737,995). The amount outstanding at the balance sheet date was £261,737 (2023: £114,037) and is shown within other creditors.

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

22 Related party transactions

During the year the charity recharged SMSKP2 Limited, a company which Horder MSK Limited has joint control over, £1,081,171 (2023: £1,066,147) for costs incurred on their behalf. Income of £15,399,999 (2023: £14,068,682) was received through contract activity. At the balance sheet date £481,622 (2023: £198,704) was outstanding by SMSKP2 Limited and is included in fee debtors.

23 Funds

Group	General fund	
	2024 £000	2023 £000
Balance at 1 July	45,522	45,957
Movement in funds for the year	(2,492)	(877)
Transfer from revaluation reserve	442	442
Balance at 30 June	<u>43,472</u>	<u>45,522</u>

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	
	2024 £000	2023 £000
Balance at 1 July	45,433	45,887
Movement in funds for the year	(2,522)	(896)
Transfer from revaluation reserve	442	442
Balance at 30 June	<u>43,353</u>	<u>45,433</u>

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

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

23 Funds (continued)

Group and Charity	Revaluation reserve	
	2024 £000	2023 £000
Balance at 1 July	15,408	15,850
Transfer	(442)	(442)
Balance at 30 June	<u>14,966</u>	<u>15,408</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	
	2024 £000	2023 £000
Balance at 1 July	26	36
Movement in funds for the year	(10)	(10)
Balance at 30 June	<u>16</u>	<u>26</u>

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

24 Analysis of net assets between funds

Group 2024

	Tangible & Intangible fixed assets £000	Net current assets £000	Total 2024 £000
General fund	36,794	6,678	43,472
Revaluation reserve	14,966	-	14,966
Restricted fund	16	-	16
	<u>51,776</u>	<u>6,678</u>	<u>58,454</u>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

24 Analysis of net assets between funds (continued)

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>

Charity 2024

	Tangible & Intangible fixed assets £000	Net current assets £000	Total 2024 £000
General fund	36,675	6,678	43,353
Revaluation reserve	14,966	-	14,966
Restricted fund	16	-	16
	<u>51,657</u>	<u>6,678</u>	<u>58,335</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>

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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:

	2024 £000	2023 £000
Less than one year	50	52
Between 2 and 5 years	30	28
	<u>80</u>	<u>80</u>

26 Net cash flow from operations - Group

	2024 £000	2023 £000
Deficit for the year	(2,502)	(887)
Share of joint venture surplus	(30)	(19)
Depreciation	1,702	1,743
Investment income	(313)	(220)
Decrease/(increase) in stocks	20	(166)
Increase in debtors	(147)	(620)
Decrease in creditors	(830)	(68)
	<u>(2,100)</u>	<u>(237)</u>

27 Reconciliation of changes in net cash – Group

	1 July 2023 £000	Cash flows £000	30 June 2024 £000
Cash and cash equivalents	8,279	(2,449)	5,830
	<u>8,279</u>	<u>(2,449)</u>	<u>5,830</u>