

First-rate people. **First-rate** care. **First-rate** value.

First Community Health & Care CiC

Directors' Report and Financial Statements

Year ended 31 March 2022



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Chair of the Board's welcome



I am proud to present this year's Directors' Report and Financial Statements on behalf of First Community Health and Care (First Community) as the Chair of the Board. The last 12 months has again been incredibly busy, with increased demands on our services. We have continued to adapt and transform as we both recover from the pandemic and learn to manage Covid-19 as a more 'routine' part of society. I would like to wholeheartedly thank all First Community staff, partners and volunteers who have been inspirational in their resilience over the last two years; continuing to deliver vital, first-rate services to the residents of east Surrey and parts of West Sussex.

This year we celebrated our ten-year anniversary and to mark this significant milestone our Board and Council of Governors met with teams across the organisation to reconnect and understand what is important to them as shareholders of First Community and what their priorities are for our future. We held team celebration events and relaunched our shareholder pin badge which was designed by staff.

Our strategic approach, which is to put People and System, ahead of purely Organisational priorities was at the heart of all decision making.

The health and wellbeing of our **people** remains at the forefront of our approach. With the cost of living crisis escalating in recent months, this work focuses increasingly on supporting colleagues to get the right help and advice in this area and it will play a major part of our wellbeing work in 2022.

Continuous improvement is one of our behaviours and we will use the learning from the past two years, managing and developing the care we provide to our more complex patients to further improve and develop our services going forward.

Our commitment to effective engagement with the public saw the launch of our First Community Network, giving local people the opportunity to have an input into the way community health services are provided and developed. We are also seeking to recruit two Patient Safety Partners which will see members of the public working as paid advisors to help us deliver safe healthcare.

At a **system** level, we are working collaboratively with our partners across the Surrey Heartlands Integrated Care System, and this year First Community formed a core part of the development and leadership of East Surrey Place – one of four 'Places' within the Surrey Heartlands Integrated Care System.

Closer working together at place level will enable East Surrey to provide joined up services that meet and respond to residents' needs; enable and empower our residents to create and live healthy lifestyles; and support them to take responsibility for their health and wellbeing.

We continue to work in partnership to provide children's health services in east Surrey, operating as Children and Family Health Surrey (CFHS). Our Inclusion Health Team have been working tirelessly to respond to the changing health care needs across our area.

As an **organisation** we have made excellent progress against our business objectives, continuing to improve and develop the services we provide and the experience of our patients and staff. We were pleased to launch our Urgent Community Response (UCR) Service in December.

We have managed our budgets and resources efficiently to maintain a strong financial position.

Finally, on behalf of our Board thank you to all staff, partners, and volunteers for your tremendous contribution to the success of First Community delivering excellent health care to our service users.



Florence Barras
Chair of the Board

Strategic Report

Year at a glance

Remarkable quality and good value community health services

First Community was listed as a **top 50 Employee-Owned company** for the second time this year



We had an average wait time of **6.3 minutes** to be seen at our Minor Injury Unit (MIU)

An average of **90.7%** of people who gave birth during the reporting period received a visit from our 0-19 service within **14 days** of the birth of their baby



80% of staff completed the annual NHS staff survey this year compared to **75%** the previous year

£1.35m surplus after tax



About First Community

First Community delivers front-line NHS services across east Surrey and West Sussex contracted by local clinical commissioning groups (CCGs). We provide community health services for adults and children.

Our services

Here is a list of the services we provide. For further information please visit our website: www.firstcommunityhealthcare.co.uk

Adult services



Community and specialist rehabilitation therapies and nursing

- Community neurological rehabilitation (including multiple sclerosis, Parkinson's, MND and rare neurological conditions and stroke specialist nursing)
- ESD (Early Supported Discharge) for Stroke
- Community physiotherapy
- Falls
- District nursing
- Heart failure service
- Respiratory nursing and pulmonary rehab
- Oxygen
- COVID Rehab
- Continence (adults)
- Intermediate care team
- Tissue viability
- Proactive care team
- Speech and language therapy



Therapies in clinics

- Audiology
- Integrated care and assessment treatment service (ICATS)
- Orthotics
- Outpatient physiotherapy
- Nutrition and dietetics
- Podiatry
- Cardiac Rehab



Bed based care

- Caterham Dene Hospital Ward (nursing and therapies)
- Nurse advisors for care homes
- Community beds



Urgent community response



Minor injury walk in

0-19 Children and family services

Health visiting



Immunisations



School nursing



Children's therapies



(speech and language, physiotherapy, occupational therapy)

Strategic Approach

Our strategic approach since 2020 has been threefold, and this guides our annual business planning and our strategic direction as an organisation:

- 1. People – System – Organisation.** This means we put people (residents, patients, employees) first, followed by the wider system needs (be it East Surrey Place, across Surrey Heartlands or Sussex) ahead of our organisational priorities. We think this is the best way to deliver our vision.
- 2.** We play to our strengths – building on what we have learned we do well over ten years of outstanding delivery.
- 3.** We do the right things at right geographic scale be that within a Primary Care Network, across east Surrey with our place based partners, or Surrey wide as part of Surrey Heartlands. 'Right' is determined by the needs of those who use our services, fit with partners and the delivery of best value to the taxpayer.

Context:

Unsurprisingly, 'managing the impact of Covid-19' has been central to our work this year: from daily system calls to manage the 'flow' in and out of our acute hospitals across Surrey, through to redeploying staff due to high sickness absence, taking business continuity actions to keep patients safe and turning our attention to 'recovery' to address areas where suppressed demand or a waiting list needed addressing.

Throughout the last two years we have learned from and evolved our approach and we have been in a level four incident all this financial year which has necessitated a high level of organisational grip, command and control structures and a silver command (often daily but at least weekly). The strength of our teams, and our team leaders, has been crucial in getting the balance right between the centralised approach needed at times and our preference for devolved decision making and team autonomy.



People

We have embedded our New Ways of Working in an iterative way as teams have adjusted to blended home and office working, increased flexible working patterns and an ever-changing infection prevention and control regime. Teams were empowered to work through what the best arrangements were for them as teams which helped embed the importance of work/life balance and laid the foundations for the 'Flex for the Future' programme as a priority for 2022/23. Whilst there is still more to do to ensure we have the necessary estates and digital infrastructure to support hybrid working



patterns and increased use of video conferencing our estates and IT teams have been incredible in supporting the rapidly changing needs of our workforce over the past year.

Our sickness levels were most severely impacted this year (highs of 12% sickness mirroring the general NHS population). In response we have refreshed our 'People Plan' to ensure it is addressing our key workforce challenges: vacancies, future workforce pipeline, inclusion, wellbeing, development, and retention.

Wellbeing has been high on the agenda and the offer (as well as the core Employee Assistance Programme) continues to evolve with some things being generic (an extra wellbeing half day off in 2022 for every member of staff) to team based (training and support on moral injury and team-based resilience sessions for those teams in long standing business continuity during the pandemic).

As the year went on, the cost of living crisis quickly became the biggest challenge for our workforce and the wellbeing group turned their attention to how to support through buy back of leave offers, support for those with high mileage and signposting to a range of assistance on offer.

Other workforce successes to note in year include:

- Refresh of our First Leadership and Management Programme to refine it based on feedback from attendees and to refresh it for the leadership needs of today
- Piloting new shift patterns on the ward to support recruitment and retention
- Team based budgets for celebrations/team building for every team
- Our BAME network has continued to grow and has branded itself Race Equality and Cultural Heritage (REACH) to reflect this. This network now plays an explicit role in the Equality Impact Assessment of key policies
- Our Chief Executive acted as Senior Reporting Officer (SRO) for the Surrey 100 leadership programme.

During the year we undertook an Equality Delivery System review (EDS2) which is a tool developed by the NHS to help organisations to identify their equality strengths, weaknesses and priorities. This review helped us prioritise a number of actions for the coming year in relation to the population we serve and the people we employ. These are:

For our workforce:

1. Promote staff networks for employees with disabilities and who are lesbian, gay, bisexual and transgender (LGBT) following the success of the staff network for Black, Asian and ethnic minorities (BAME) employees
2. Improve our equality impact assessment process for our workforce policies
3. Improve access to learning and development opportunities for BAME colleagues.



For our population:

1. To introduce a process that enables us to assess the equalities impact of the decisions made by the Board and mitigate or explain any negative impact on our people with protected characteristics
2. Working with higher education providers to improve the diversity of our children's service workforce so that we can better reflect our population
3. Develop 20 service level actions aimed at improving the quality of care for people with protected characteristics.

East Surrey's vision is to put population health front and centre of the improvement and transformation work we do together with partners. To this end we were an active member of the East Surrey Population Insight Group and these population health insights have informed the five priorities for our Place based working outlined in the System section of this report.

As part of our journey to better involve those who use our services, we created the First Community Network – an approach that allows patients and the wider population to get involved in a range of ways that suits them. For example, we have shared their feedback via surveys and focus groups and told their lived experience stories with governance committees to help transform and improve local community healthcare services. The Network was launched early in 2022 and already has 15 members. It is already being used by partners at East Surrey Place to help with grant making decisions amongst other things.



System:

Development of East Surrey Place

Over the course of the year, we have been part of a focussed piece of development work with East Surrey partners to create the East Surrey Place vision, priorities and infrastructure. This has been a notable success for the year not only because the priorities at Place align well with our own (Urgent and Emergency Care, Ageing Well, Long Term Conditions) but because the supporting infrastructure jointly developed creates strong foundations for further integrated delivery. It is worth noting that various First Community Board members are now also part of the leadership team at Place:

- Our Chief Nurse together with our Quality Committee Chair have jointly led (with Surrey and Sussex Hospital (SASH) counterparts) the development of a Quality approach for East Surrey Place with a quality committee now chaired by our Quality Committee Chair (Fiona Smith)
- Our Director of Operations is the Place based Programme Director for the Ageing Well Programme which will, working in partnership with system colleagues, deliver care for older, frail people that is more preventative, holistic and enables them to live at home for as long as possible.
- Our CEO is joint SRO for Workforce at Place, and SRO for both the Communications and Engagement workstreams at Place as well as Chairing the Care Provision Partnership Group

Our development work at Place has culminated with the creation of an Alliance Agreement (signed May 2022) binding all partners into the East Surrey Partnership as a symbol of our joint commitment and a building block for future delegation and joint delivery from the Integrated Care Board (ICB).



“ First Community UCR began on 1 December 2021. The UCR referrals for admission avoidance continues to rise and in March 2022 the team supported 78 people in their own home to prevent the need for an acute admission. ”

Adult service developments

There have been a number of programmes of work that have been notable during the year which support our System working and better outcomes for patients:

- **Urgent Community Response (UCR):** We started to deliver this service on 1 December 2021 to deliver rapid health assessment and interventions within two hours. Since then, the numbers of people we support at home has grown. In March 2022 alone, we supported 78 people who otherwise may have been admitted to hospital. We are working with local General Practitioners (GP) practices, NHS 111 and South East Coast Ambulance Service (SECamb) to make sure people who need UCR have ready access



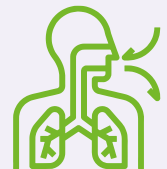
- **Ageing Well:** This is a programme of work which covers Multi-Disciplinary Team (MDT) working through PCN Frailty/Anticipatory Care Hubs with community matrons and community nursing a key element, and our Falls service. It also includes looking after people who live in care homes and our Care Home Advisors are a key part of this. During 2021-22, we have developed stronger working relationships and supported many people to receive care in their own homes.

- **Same Day Urgent Access:** Urgent and Emergency Care is a priority for east Surrey, for managing same day urgent care access at our Minor Injury Unit. This involves having a GP on site who is able to see people who walk-in to the MIU, as well as people directly booked into the GP clinics via NHS 111 or their own GP practice. We have been working closely with NHS 111 following the implementation of an IT software solution to enable direct booking into the MIU clinics.



- **Home First Plus:** Working closely with Adult Social Care, we have been developing a model for an integrated workforce that can deliver health and social care interventions and support people to be discharged more quickly from hospital. Funding has been agreed through the Better Care Fund and we hope to start recruiting the workforce later in 2022.

- **Respiratory Pathway:** Our Associate Director for Scheduled Care has been leading a piece of work across East Surrey Place, and feeding into the wider Surrey system, on respiratory services. This culminated in the delivery of a new breathlessness pathway and plans to increase capacity to diagnose and treat a range of respiratory diseases in an integrated way across providers.



- **Direct Access Therapies/First Contact Practitioners working at Practice/ Primary Care Network (PCN) level:** Working with GP practice across east Surrey, we now have a range of clinicians embedded within primary care. This includes several Physiotherapy First Contact Practitioners (including one focussed purely on pain management); an Occupational Therapist specialising in falls and a number of dieticians. This is as part of the Additional Roles Reimbursement Scheme (ARRS) and the evaluation of the roles to date has demonstrated a positive impact on patient outcomes.

- **Long Term Conditions services and Direct Access Therapies** were successful in securing funding for piloting a number of new patient pathways in diabetes, respiratory and heart failure care, for implementation during 2022



- **Covid-19 Rehabilitation:** During 20-21 we have consolidated our Covid-19 Rehabilitation Service supporting patients to recover well from Covid-19 through individual and group therapy interventions. The Team was nationally recognised and shortlisted for the SEUK Social Enterprise Team of the Year award 2021.

In addition, we have worked hard to recover services which were either paused or had reduced capacity during Covid-19 surges and have reduced waiting lists for Podiatry, Falls and Musculoskeletal (MSK) Physiotherapy Services. We have also supported the mass vaccination programme through the delivery of vaccinations to house bound patients on behalf of primary care, school-based vaccination programme and repurposing estates to support the ongoing vaccination offer.

At the wider Surrey Heartlands System level, we have worked closely with the new ICB Chair (designate) to influence and support the emerging system transformation and financial sustainability priorities and been an active member of governance and risk work to transition from the current Integrated Care System (ICS) structure to be ready for the changes as a result of the White Paper which will take effect on 1 July 2022.



Children and Family Health Surrey Service Developments

This service is facing significant challenges as the demand for children services post Covid-19 is extremely high, there is a shortage of staff, and therefore waiting lists for some services are longer than we would like.

The transformation plan to support improvements in children's services across Surrey has continued to be developed throughout 2021-22 in preparation for a procurement process, to be determined, and a new contract from April 2023. We have had to review and refine the transformation plans to reflect the changing needs and demands for children's services. The Inclusion Health Team have been working hard to deliver care and support to communities that are largely excluded from mainstream health care. This year has seen eight hotels open in Surrey to accommodate asylum seekers and refugees, and the team have been on hand to provide care and support. This is in addition to their work with our Gypsy, Roma and Traveller (GRT), and homeless communities. Our School Aged Immunisations Service (SAIS) has delivered school and clinic based Covid-19 vaccinations with a high uptake rate, as well as the additional requirements for flu vaccinations and usual school age vaccinations.

In addition to the continued delivery of excellent services, we have been working with Central Surrey Health (CSH) and Surrey and Borders Partnership (SaBP) as a partnership, known as Children and Family Health Surrey (CFHS), to develop our leadership model for this partnership going forward. The focus has been on roles and responsibilities and making sure we have the right structures in place to continue to deliver and to transform services, so they best meet the needs of local children and families.

“ I am really happy with my health visitor, I have built up an excellent relationship with her. ”

Organisation

Strong operational delivery

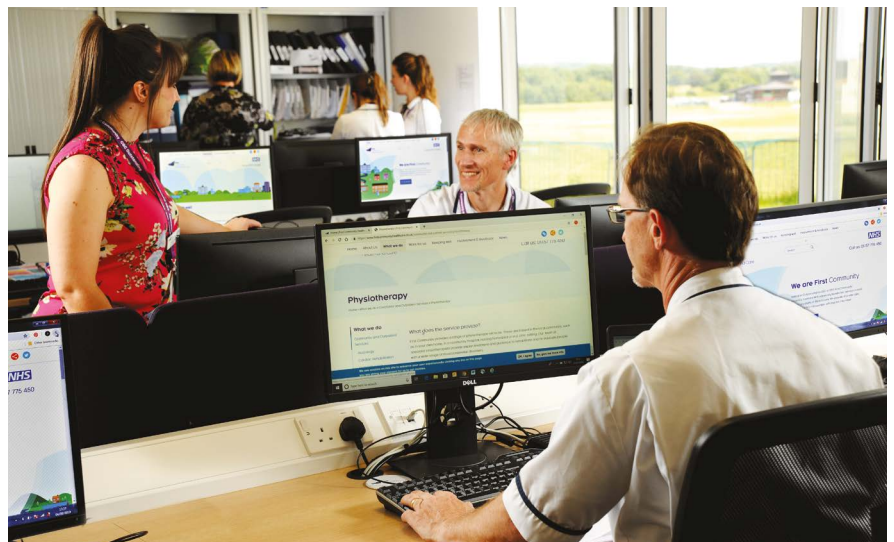
Our services continued to deliver to exceptional standards with performance strong across many areas:

- Only one infection (Covid-19) outbreak on our Caterham Dene Ward all year despite changing our acceptance criteria to take Covid-19 positive patients, probably linked to our 96% performance in our cleanliness audits for the year and 100% for hand hygiene audits
- Record numbers of compliments received (1336 compared to 626 compliments during 2020/2021.)
- 94% of our end-of-life patients were able to die in their place of choice
- MIU attendances back to (and in some cases exceeding) pre pandemic levels with wait times for triage still at record lows of three minutes with an average of six minutes
- Our waiting times for adult MSK services reduced across the year from 20 weeks to 15 weeks in March 22
- Maintaining or improving performance against our five mandated health checks for children
- The Inclusion Health Team have supported asylum seekers and refugees across eight hotels in Surrey delivering 1,473 contacts.

The year was not without its performance challenges, with the complexity of patients and challenges across the health and care system leading to longer lengths of stay at our Caterham Dene Ward. The delays with

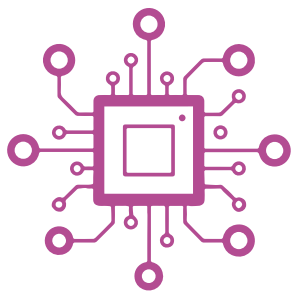
patients waiting packages of care or care home placements, and the increased demand for Audiology that had previously been suppressed due to the pandemic led to longer waiting lists, despite the incredible work to support patients remotely throughout the pandemic.

As mentioned, we are experiencing extremely high waiting times for some Children’s therapy services due to high demand post Covid-19 and staff shortages, although we remain determined to deliver the best service we can and prioritise all urgent referrals.



Quality Improvement Developments

We transitioned from a manual to a digital system for recording incidents in February 2022 – this new system is our Radar Incident Management System. The transition was fuelled by our drive to be more efficient by embracing digital solutions. This system provides a single access point for recording, accessing, sharing, and learning from safety incidents and near misses across all levels at First Community. The automated system is quick and simple to use and provides real time data analysis to allow for more effective quality and compliance monitoring and aligns technology and processes within the wider healthcare system. All staff received training on the system which is now used by all staff across the organisation.



First Community are working to implement the recommendations in the National Patient Safety Strategy and have created the Patient Safety Strategy Implementation Group (PSSIG) to provide oversight. This group has a wide membership to help shape and deliver the role out of the key parts of the strategy.

Two new Patient Safety Partner (PSP) roles have been created that are open to members of the public to work as an advisor to help us deliver safe healthcare across the organisation. This is a new and exciting position, which stems from a growing body of work both nationally and within First Community, focusing on involving patients across all levels of healthcare with particular focus on improving safety across the organisation. Our plan is to recruit two PSPs to each attend one large meeting or committee a month, including a Board level meeting that focuses on safety and quality by May 2022. The role will be for a fixed period of 18 months, and successful applicants will receive payment for their involvement in attending meetings. PSPs will receive appropriate recruitment checks, training, induction, supervision, and ongoing support in their role.



Our Audiology service was re-accredited by the Improving Quality in Physiological Services Accreditation (IQIPS) in December 2021. This scheme is managed and delivered by the United Kingdom Accreditation Service (UKAS) who are recognised by the Government, to assess against nationally and internationally agreed standards, contributing to quality outcomes for patients. We met all the standards and so were re-accredited. Through the accreditation process we are confident that our Audiology service is delivering to a high standard in a safe and effective way.

The health and safety of our patients, staff and visitors is important to us and we continue to be ISO45001 accredited for our health and safety management systems which was re-assessed in May 2021.

In February we took proposals through our Quality Committee to ensure Care Quality Commission (CQC) readiness with a plan for 2022, particularly in light of two years of managing Covid-19. Before this plan could be implemented, we were informed of an unannounced and full Well Led CQC inspection which took place in March and April 2022. We were rated Good overall, with some outstanding services.



Service Quality 2021/22

First Community continues to provide high quality services.

Full details on the quality of our services can be found in our Quality Account Reports published on our website: <https://www.firstcommunityhealthcare.co.uk/about-us/key-documents-and-statements>

Managing demand and enhancing productivity

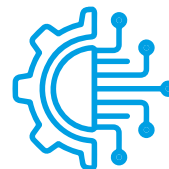
Over several years (and exacerbated by Covid-19) we have been aware that the demands upon many of our services have been increasing. In some cases, due to rising volumes (district nursing and health visiting caseloads), in others through increasing complexity (e.g. patients on our rehabilitation ward who have sub-acute clinical needs) and for some teams both (numbers and complexity of falls or those who are intermediate care team support upon discharge from hospital). We also know that the financial envelope for NHS services will be ever more challenging, particularly in Surrey where the national levelling up agenda will mean Surrey sees a financial reduction. Staff also raised the high volume of demand for our services as a key challenge when we engaged with them as part of our ten-year conversations during 2021.



As a result, we launched a productivity programme mid-2021, to be supported by Meridian. Meridian have worked with many community providers and bring with them a wealth of data and intelligence to help us benchmark our services and how efficiently we deliver them, as well as expertise in productivity and how we monitor and measure what we do. The key aims of the programme are to support our teams to manage the ever-increasing demand for services without impacting on the quality of the service delivered, as well as to enable us to demonstrate that our services provide first rate value.

Data and Digital to the fore

With our strategic focus being People, System then Organisation, our digital and data approach has been to closely align our digital strategy to the ICS's digital strategy. This has enabled our clinicians to access the Surrey Care Record to see patient information from partner NHS organisations and County Council. Being able to see this data is improving clinical decision making and care for our patients whilst being managed to the highest level of security and integrity required for managing patient level data.



This focus on digital at both national and system level has given us access to NHS digital funding to modernise our laptop/tablets, with the ambition being that no laptop or PC is over five years old, and to invest in our electronic patient records (Emis) to build on patient engagement, providing services digitally (video assessments) and investigate patient access via a patient portal. We also received funding to support a digital maturity assessment, to be completed in 2022/23, to enable us to better understand our digital capability for the development of our digital strategy and roadmap.

We have been and will continue to embrace the use of digital solutions for both staff and patients. We will continue to recycle our older IT equipment by donating it to a local children's charity where it can be rebuilt for the children to use.

We also undertook work to better understand our users' preferences with regards to video and telephone consultations enabling us to harness the good aspects of 'pandemic' working and make a plan for the future that utilises digital options but doesn't exclude individuals. Our virtual consultation levels are now at 21.5% with an aspiration of maintaining this going forward.

Going Green

2021/22 was the year where we were able to turn our green aspirations into a co-produced Green Plan which we developed with input from across the organisation and partners with the help of Sussex Community Foundation Trusts award winning Care with Carbon programme. Our Green Plan is published on our website and sets out how we will work to achieve the NHS vision to be 'net zero' by 2040 and sets out our priorities for the next three years.



First ten years

October 2021 marked 10 years since the creation of First Community by a visionary group of nurses and allied health professionals in 2011. Whilst we couldn't celebrate as we might have liked (with a big party!) we had a virtual party, gave each team a budget to do something with their teams once Covid-19 restrictions allowed, and developed a new shareholder badge designed by two of our employees. Most importantly the Board and our Council of Governors met with teams across the organisation to reconnect and understand what is important to them as shareholders of First Community and what their priorities are for our future. These conversations have informed our 2022/23 business plan priorities and particularly underlined the importance of our Flex for the Future Programme, development opportunities in our People Plan, a clear data, estates and digital strategy and the need to manage demand via our productivity programme.



First Community Financial Performance

How First Community is funded – revenue

First Community is funded for revenue costs in the same way as other NHS organisations, through annual contracts with commissioners, supplemented by other income such as that received to support the learning and development of staff. Our main contracts are:

- Adult community services, with Surrey Heartlands CCG, worth £23.7m in 2021-22 which represented 73 per cent of total revenue; and
- Children’s community services trading under the Children and Family Health Surrey partnership, sub-contract with Surrey & Borders Partnership NHS Foundation Trust, worth £4.1m in 2021-22 which represented 13 per cent of total revenue



The adult contract runs until 31 March 2024 and the current children’s contract is being extended by 12 months to 31 March 2024.

How First Community is funded – capital

Unlike NHS Trusts First Community does not receive an annual capital allocation. All capital investments must be made from efficiency savings against the main adults and children’s contracts. These efficiency savings help us to build a small reserve which we can then reinvest in services through capital investment, in line with our principles as a Community Interest Company. First Community is also able to make bids for funding for specific capital projects.

First Community invested £581k in capital programmes in 2021-22 (accounts note 7). Of this £224k was investment to improve our estate, and £357k in medical and IT equipment. Specific investments included:

- Caterham Dene Hospital refurbishment and redecoration
- Replace all our laptops which were over five years old
- Installed a new Call Bell system in the Ward
- Introduced a new electronic incident Management System
- Finalised the lease negotiation and started building work on a brand-new Children’s Centre, Orchard House.



Of the £581k invested a total of £210k was reallocated from revenue costs to support the capital programme. In addition, our costs for the year include depreciation costs associated with investment from prior years, this totalled £266k.

To Caterham Dene ward:

Thank you for all you have done for my mum. Your care for her has been exceptional, and all the other nurses’ sisters and people who deliver refreshments have been wonderful. You’re so special dedicated people and the Dene is a wonderful place to be recovering. I hope you enjoy these biscuits when you have a well-deserved tea or coffee.

Financial Performance

As a Community Interest Company, First Community is not able to go into deficit. The organisation is required to remain a going concern, meaning it must have the ability to service its debts as they fall due. First Community therefore has strong budgeting and financial management processes in place to ensure that a healthy financial position is maintained, providing assurance to our staff as shareholders, to our commissioners, and to our patients who rely on our services.

Key headlines from our financial performance for 2021-22:

- **Turnover improved by 8 per cent to £32.3 million.** In addition to normal funding and additional money to support Covid-19, First Community introduced new services in the year such as the Urgent Community Response and other services to support Urgent Primary Care.
- **Direct costs of service provision increased by 4.7 per cent to £27.1 million.** Had costs of providing services risen at the same rate as turnover costs would have been £28.0m meaning that over 2021-22 First Community has made a direct efficiency saving of £0.9m or 2.7 per cent of turnover.
- **Administration costs rise by 7.6 per cent to £3.4 million.** Again, First Community has become more efficient during the year with administration costs rising slower than organisation growth.

Correcting for depreciation, which is a direct reinvestment in services, our numbers show that just under 90p in every pound goes direct into services, with the rest being our corporate overheads.

If efficiency is defined as delivering more for the same resources, then First Community has made an efficiency saving of £0.9m in 2021-22 being the difference between our actual cost base (£30.6 million), and the cost base that would have been present if costs kept pace with organisational growth (£31.5 million). As the funding regime for the year was designed for organisations to break even, much of this efficiency saving has benefitted commissioners as well as First Community.

Profit for the year was £1.35 million after tax.

There were a number of factors that contributed to this profit, including a) our need to self-fund much of our capital programme and b) a non-recurrent benefit, as follows:

- Set aside of revenue costs to support in-year capital investment: £210k
- Use of reserves to support prior-year capital investment: £266k
- Satisfaction of outstanding balances with NHS Property Services: £950k

In 2021-22 we finally agreed a full and final settlement with NHS Property Services relating to charges dating back to 2015 relating to Caterham Dene, Conifers, Oxted Therapies Unit, Horley Health Centre, Oxted Health Centre and Wayside surgery. This negotiation resulted in NHS PS agreeing to a debt write-off of £370k and enabled us to reconcile historic accruals and provisions set up to cover a range of outcomes, resulting in the release of £580k credit to our accounts. As First Community had been accruing in full pending settlement, this results in a non-recurrent benefit of £950k to the accounts.



Future Financial Prospects

First Community has £4.24 million of reserves as at 31 March 2022. As a Community Interest Company our purpose is to reinvest our reserves for the benefit of the community that we serve. Accordingly, our reserves are earmarked as follows:

- **To pay for current and historic capital investment: £1.18 million.** Looking at our balance sheet we have a total of £1.18m invested in capital items for which future depreciation charges need to be satisfied from our reserves.
- **To support our ongoing efficiency programme: £0.3 million.** First Community has engaged Meridian to undertake a full and structured review of our working processes to ensure that we continue to operate as efficiently as possible.
- **To improve our People and Data Capabilities: £0.3 million.** We are investing heavily in our capacity to recruit, retain and support our people, in our approach to Equality, Diversity and Inclusion, and in our Business Intelligence capacity to improve the insight we have from our data. The Board has approved investments of £0.2m in our People Plan and £0.1m in our Business Intelligence plan.
- **To support our future capital programme: £1.1 million.** First Community has ambitious capital programmes to ensure that we improve our Digital capabilities, and our Estate. The Finance Committee receives regular reports on the pipeline of projects for investment and reviews business cases to support the use of reserves for approval by the Board.
- **To support the ongoing viability of the organisation: £1.5 million.** First Community has a reserves policy of retaining £1.5m which will enable it to a) make a month's payroll to staff should existing payment mechanisms be interrupted, b) make a month's payment to critical suppliers and c) satisfy any liabilities that would fall due if the company were to be liquidated. This enables First Community to remain a going concern, and in the case of liquidation any remaining balance on this amount would be returned to the public purse via another asset locked body. To note that First Community did need to access this reserve in 2018 when, initially, funding was not forthcoming to Social Enterprises for the Agenda for Change uplifts and the directors decided to utilise this reserve to ensure that staff were not out of pocket.



Financial Outlook

The year 2021-22 was the final year under the Covid-19 funding arrangements. For 2022-23 contracts have returned to traditional mechanisms of growth funding and efficiency requirements. Those efficiency requirements are particularly tough for 2022-23 as a) systems seek to recover the 'lost efficiencies' of two years of Covid-19 funding and b) Surrey Heartlands has a particularly punitive settlement as it is considered over-funded as a system; this arrangement is passed to providers.



This will be a challenging financial year for First Community. Some of our new services were funded from non-recurrent allocations, such as the Long Covid service, and it is not clear whether these will be fully funded going forward. We rely on agency staff quite heavily in some areas, for example where we introduce new services quickly it may be difficult to recruit substantively at pace. It can also be difficult to recruit to certain community roles given our proximity to London. We are also not making money on our children's community services contract and are in active communication with commissioners about securing the necessary investment to improve the outcomes of those services. Finally, the inflation assumptions in annual contracts were made before the current cost of living increases, and we will need to absorb the extra costs of energy, materials and supplies that are being felt as inflation nears double figures.

First Community is well placed to meet these challenges. We have strong financial management evidenced by a track record of outperforming budgets whilst investing significantly to improve services. Our budget for 2022-23 does include an efficiency requirement, but we have invested, as noted above, to support the identification and release of efficiencies.



Media coverage

Over the past year several of our staff and services have received regional media coverage for dynamic and innovative service delivery, including:



First Community seeking to recruit two Patient Safety Partners



Diagnosed with Parkinson's disease, Ian Grant makes huge improvements to his speech and returns to his love of producing music



First Community launches Urgent Community Response Service



Friends of Caterham Dene raise over £65,000 to improve facilities at Caterham Dene Hospital



First Community's Covid-19 Rehab Team highly commended at the Kent, Surrey and Sussex Academic Health Science Awards



First Community join the Great British Spring Clean to help keep our streets tidy

Principal risks and uncertainties

Finance

- Global events and the impact on our economy and inflation is creating a cost of living crisis, the impact of which is likely to deepen throughout 2022/23.
- During the pandemic response, different arrangements were made for funding health care services and additional monies have been available to support the delivery of key priorities like hospital discharge and increased community support. The new financial regime for 2022/23 is challenging as previously outlined. In addition, Covid-19 funding will decrease by up to 50% and the hospital discharge funding will cease on 31 March 2022.
- The historic system budget pressures remain, and as the system moves to post Covid-19 funding these underlying issues need to be resolved with collaboration between Acute, Community and Primary care being critical.
- We also know that looking ahead the financial settlement for the Surrey Heartlands system looks particularly challenging. The 'Levelling Up' agenda requires additional savings due to redistributing money towards those areas most in need, together with expected efficiency savings.

Workforce

- The availability of clinical and non-clinical staff is a concern across all health care settings. Workforce has been set as a priority across the entire NHS going forward. At a system level we will be working with partners across Surrey Heartlands and at East Surrey Place to find solutions to address this ongoing risk. For First Community the availability of staff to provide our children's services is a risk we are working hard to address.

Demand for services

- We know that several communities in our local population are disadvantaged when it comes to accessing healthcare, for example those from the GRT communities and those that live in areas of social and economic deprivation. Our Inclusion Health Team continue to identify more patients needing our services and often with complex needs to address
- We have also seen a significant increase in the numbers of refugees and asylum seekers that have been temporally accommodated in Surrey who require our services. Many of these are families with young children and have significant health needs without access to mainstream services
- Like many other providers, we have a backlog of patients waiting for services which were postponed or unavailable during the pandemic. Within our children's services we are experiencing very high demand and much longer than average waiting times.

Legislation

- The new Health and Care Bill was passed and became law in April 2022. This process of passing through parliament did mean a delay to the revised competition regime which impacts both on our Children and Family Health Surrey contract (end date 31 March 2023) and our adult community services contract (end date 31 March 2024). This also means that we will have to live with a certain amount of ambiguity whilst the ICB is organising itself and we understand what that means for our East Surrey Place.



Future prospects:

Health inequalities

Reducing health inequalities must be a corner stone of everything we do at First Community alongside the use of data and intelligence to inform our service transformation and business planning priorities. Population Health Management (PHM) will support us to understand the needs of local people and communities at an individual, PCN, district and borough or place level. This will enable First Community and partners to develop and deliver services that improve health outcomes, reduce health inequalities, and offer an excellent patient experience. We will use our strategic approach of “People: System: Organisation” to sharpen our focus on reducing health inequalities and PHM to underpin our planning and decision making.

East Surrey Place

First Community remains in a strong position to facilitate collaborative place-based relationships to develop a strong partnership model, and we must not be constrained by the partnership form but focus on the functions and working across organisational boundaries to deliver first rate seamless care to our local communities.

Whilst we will continue to work with colleagues across the Surrey Heartlands ICS, our more East Surrey Place based working, encompasses working at PCN level, which will be the priority. Our work with the GP federations, Alliance for Better Care (ABC) and Dorking Health Care (DHC) along with Surrey and Sussex Hospital (SASH) are the building blocks of our provider collaborative work, and we will continue to work with them and other system partners to deliver the key East Surrey Place priorities.

From the five priorities developed, we will have a major role in three: Urgent and Emergency Care; Ageing Well and Long-Term Conditions. We also support the other two priorities: Mental health and prevention and Communities.

Wider System

We will continue to build on our relationships with partners in West Sussex to ensure we are maximising outcomes for our patients there. The NHS Operational Planning Guidance for 2022/23 sets out a number of clear expectations for community services. These include a target for delivery of two hour UCR, reducing community services waiting lists and improving the completeness and quality of data submitted through the Community Services Data Set (CSDS).

In addition, we are required to continue to deliver Covid-19 vaccine, improve hospital flow, remove and maximise discharge capacity and improve capacity in post urgent response services. The focus on community services in the planning guidance is an opportunity to really start to get traction on demonstrating the impact and value of community services, and to work with commissioners and the wider system to identify funding flows to support increased capacity.

Summary

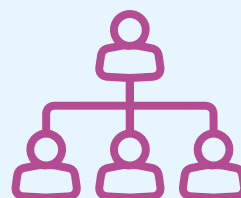
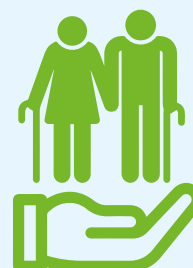
Despite the challenges, we have been able to progress our place-based development work, delivered a two hour Urgent Community Response service and continued to recover our services and deliver excellent care to our patients and communities. As we move into the new financial year, we can build on the achievements of this year, consolidate, and develop our place in the system as a key partner and maximise opportunities through provider collaboratives.

The Directors have considered our position for the next three years and remain confident that First Community will continue to succeed and deliver a surplus (before depreciation, amortisation, and any planned decisions to use our reserves) and that it continues to be appropriate for these accounts to be prepared on a going concern basis.

We believe we are in a strong place being an excellent provider, an active partner in East Surrey Place and delivering within our contract value. As such our business plan for the year ahead was published on our website on 1 April 2022 and details our nine priorities for the year ahead:

Our **nine** priorities for 2022/23

- 1 Workforce** – looking after and recruiting/retaining a diverse workforce
- 2 Using data and intelligence** well to understand and meet the needs of our population
- 3 Urgent and Emergency Care** – Managing the totality of urgent and emergency care demand is a key risk both at place-based system and Surrey Heartlands ICS levels
- 4 Ageing Well** – Ageing Well is another priority for East Surrey Place. Managing the most vulnerable and frail people in our communities by delivering both proactive and reactive seamless services will have a significant impact on the health and care system
- 5 Long Term Conditions** – East Surrey Place wants to develop a plan to ensure we can support those people living with one or more long terms conditions to live healthier lives and prevent their conditions deteriorating further or the onset of additional long-term conditions (LTCs)
- 6 Place and ICS development** – We will continue to work with partners across east Surrey and the wider Surrey system to ensure we are an active partner in the development of both place and ICS, and that we are delivering services at a scale that makes sense for patients, residents, and communities
- 7 Deliver Children and Family Health services transformation** and be procurement ready
- 8 Delivering outstanding services** at great value
- 9 Having the right tools in place** to deliver our priorities.



Directors' Report

The Directors have pleasure in presenting their Directors' Report and financial statements for the year ended 31 March 2022.

Principal Activity

The principal activity of First Community during the period was community health care provision.

Directors

The Directors who held office during the year and to the date of this report were:

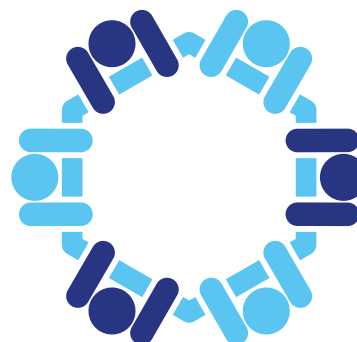
- Florence Barras (Chair)
- Adrian Baillieu
- Sarah Billiald
- Renee Hobson
- Bryan Ingleby
- Fiona Smith
- Deborah Stubberfield
- Jonathan Ota



Council of Governors

The members of staff who held office during the year were as follows:

Rachel Buckenham (Co-Lead)
Julie Sinclair (Co-Lead)
Catherine Delve (resigned at end of second term 10.11.21)
Kim Montgomery
Eve Given (resigned 30.6.21)
Tracy Kemp (resigned 21.4.22)
Sharmila Lyons
Sheena Walker (resigned 18.10.21)
Eleanor Adams
Caroline McLaurin (resigned 15.9.21)
Karina Saul (resigned 3.5.22)
Emma Davy
Sonia Harris
Theresa Rawlins



The Directors wish to thank the staff members who served on the Council during in the year, and in previous years, particularly those who have stepped down during the year.

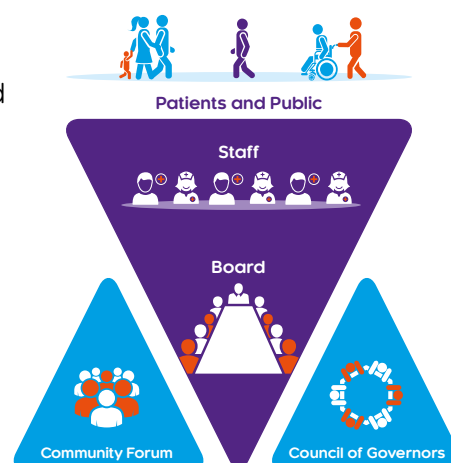
Shareholders' involvement and employee consultation

As an employee-owned organisation, we have a management and leadership structure that turns the traditional organisational hierarchy on its head. This results in a structure where managers and the Board exist to support clinical services and their interface with patients and public. The inverted triangle is stabilised by two smaller triangles: the Council of Governors and the Community Forum.

The Community Forum assists First Community to understand the perspective of patients, carers, volunteers, and partner organisations to enable us to provide better services, carry on our business and to engage the views of the community for any future activity and investment proposals.

The Community Forum is open to the public including patients, carers, volunteers, representatives from any health and social care agencies, GPs, local community groups, the local council, voluntary sector organisations and local businesses and has around 30 members.

Every First Community employee has the option to become a shareholder and be supported by our staff-led Council of Governors. The Council of Governors are employee representatives elected by staff to act as a link between shareholders and the Board of Directors.



Equal opportunities

We undertake to always act equitably and fairly towards our patients, their families and carers, and our staff. We take seriously our obligations under the Equality Act to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Act.
- Advance equal opportunities between people who share a characteristic and those who don't.
- Foster good relations between people who share a characteristic and those who don't.

Our equality and diversity report will be available on our website from 30 November 2022. This report contains key equality information about First Community, sets out actions undertaken over the past 12 months and our plans for the following year.

Staff analysis

We are required by the Companies Act to disclose the gender split of our directors, senior managers, and other employees in post at the end of the 2021/22 financial year.

Gender	Director	Senior Manager	Other staff
Female	5	38	453
Male	3	7	35
Grand Total	8	45	488

Gender pay gap

The most recent gender pay gap report prepared by First Community was on 31 March 2021. At that date First Community had a mean gender pay gap of 4.4% (compared to 4.5% on 31 March 2020) and a median gender pay gap of -3.8% (compared to -4.5% on 31 March 2020), based on hourly rates of pay.



The Office of National Statistics reported in April 2021 a median gender pay gap for all organisations of 7.9%.

In accordance with the Equality Act 2010 we are committed to providing services and employment opportunities which are inclusive across all strands of equality – age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

For the purposes of this report, our gender pay gap is calculated using the approach as required by The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, this report compares the pay of female employees to that of male employees.

All staff, except for the Chief Executive and the Director of Finance and Resources, are paid in accordance with the National Agenda for Change pay, terms, and conditions. These set out band structures and pay for all employees to ensure transparency, fairness, and equal treatment. However, when staff move up through the increments due to length of service, this can appear to affect the gender pay balance with currently more females at the higher points on the pay bands.

Disclosure of information to auditor

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

A handwritten signature in blue ink, appearing to read 'Florence Barras'.

Florence Barras

Chair of the Board
Second Floor - Forum House
41-51 Brighton Road,
Redhill, RH1 6YS

Date 14 September 2022

Statement of Directors' responsibilities in respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report, and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the United Kingdom. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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



Independent Auditor's Report to the members of First Community Health and Care CiC

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit 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 First Community Health & Care C.I.C. ("the Company") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement, 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 International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

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 are independent of the 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 relating to going concern

In auditing the financial statements we have concluded that the Directors' 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 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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken during the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained during the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Inquiring of management, the Company's internal auditors (through attendance at Audit Committee) and those charged with governance, including obtaining and reviewing supporting documentation in respect of the Company's policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- discussing among the engagement team and where required, involving relevant internal and/or external specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we considered the potential for fraud in the following areas: revenue recognition, posting of unusual journals and accounting estimates.
- obtaining an understanding of the Company's framework of authority as well as other legal and regulatory frameworks that the Company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the Community Interest Company Regulations 2005 and Employment, Pension and Taxation Laws.

In addition to the above, our procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims
- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists 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 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 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Eagles

David Eagles (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
Ipswich, UK

Date: 6 October 2022

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



Financial statements for First Community Health & Care CiC

Statement of comprehensive income for the year ended 31 March 2022

	Note	2022 £	2021 £
Revenue	2	32,313,025	29,880,090
Cost of sales		(27,144,395)	(25,921,431)
Gross profit		5,168,630	3,958,659
Administrative expenses		(3,434,697)	(3,193,134)
Operating profit	3	1,733,933	765,525
Interest receivable		8,249	17,215
Interest expense on lease liabilities	12	(46,637)	(53,979)
Profit before tax		1,695,545	728,761
Taxation	6	(341,642)	(136,031)
Profit after tax		1,353,903	592,730
Total comprehensive income for the period		1,353,903	592,730

All amounts relate to continuing operations.

The notes on pages 36 to 53 form part of these financial statements.

Statement of financial position as at 31 March 2022

	Note	2022 £	2021 £
Non-current assets			
Property, plant and equipment			
- Owned assets	7	1,175,953	861,051
- Right-of-use assets	7	3,252,345	3,144,058
Intangible assets	8	0	0
		4,428,298	4,005,109
Current assets			
Cash and cash equivalents	9	10,370,628	8,438,628
Trade and other receivables	10	1,611,230	1,145,364
		11,981,858	9,583,992
Total assets		16,410,156	13,589,101
Current liabilities			
Trade and other payables	11	8,674,116	7,431,666
Lease liabilities	12	1,235,114	1,134,167
Provisions	13	536,121	106,530
		10,445,351	8,672,363
Non-current liabilities			
Lease liabilities	12	1,545,560	1,972,254
Deferred tax liability	14	181,830	60,972
		1,727,390	2,033,226
Total liabilities		12,172,741	10,705,589
Net assets		4,237,415	2,883,512
Equity			
Retained earnings		4,237,415	2,883,512
Total Equity		4,237,415	2,883,512

The notes on pages 36 to 53 form part of these financial statements.

These financial statements were approved by the Board of Directors on 14 September 2022 and were signed on its behalf by:



Florence Barras

Chair of the Board
Company Registered Number: 07711859

Statement of changes in equity for the year ended 31 March 2022

2022	Note	Share Capital	Retained earnings £	Total equity £
Balance at 1 April 2021		336	2,883,512	2,883,848
Uncalled share capital at 1 April 2021		(336)		(336)
Balance at 1 April 2021		0	2,883,512	2,883,512
Total comprehensive income for period				
Profit for the period			1,353,903	1,353,903
Other comprehensive income			0	0
Total comprehensive income for period		0	1,353,903	1,353,903
Net ordinary shares issued/(cancelled)	15	(1)		(1)
Uncalled share capital		1		1
Total contributions by and distributions to owners		0	0	0
Balance at 31 March 2022		0	4,237,415	4,237,415

2021	Note	Share Capital	Retained earnings £	Total equity £
Balance at 1 April 2020		319	2,290,782	2,291,101
Uncalled share capital at 1 April 2020		(319)		(319)
Balance at 1 April 2020		0	2,290,782	2,290,782
Total comprehensive income for period				
Profit for the period			592,730	592,730
Other comprehensive income			0	0
Total comprehensive income for period		0	592,730	592,730
Net ordinary shares issued/(cancelled)	15	17		17
Uncalled share capital		(17)		(17)
Total contributions by and distributions to owners		0	0	0
Balance at 31 March 2021		0	2,883,512	2,883,512

The notes on pages 36 to 53 form part of this Statement.

Cash flow statement for the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flow from operating activities			
Profit from the period		1,353,903	592,730
Adjustments for non-cash income and expenses:			
Taxation charge for the year		341,642	136,031
Interest expense on lease liabilities		46,637	53,979
Depreciation of property, plant and equipment		265,983	210,716
Depreciation of right of use assets		1,212,436	1,089,959
Derecognition of right of use assets		45,900	0
Amortisation of intangibles		0	58,465
Decrease in non-cash provision		(100,833)	0
Increase in deferred income		3,180,869	1,598,160
(Increase)/decrease in trade and other receivables		(465,866)	235,065
(Decrease)/increase in trade and other payables		(2,029,201)	834,496
Corporation tax paid		(130,000)	(83,841)
Net cash from operating activities		3,721,470	4,725,760
Cash flow from investing activities			
Purchases of property, plant and equipment		(580,885)	(326,948)
Net cash used in investing activities		(580,885)	(326,948)
Cash flow from financing activities			
Repayment of lease liabilities		(1,161,948)	(1,128,100)
Interest paid on lease liabilities		(46,637)	(53,979)
Net cash used in financing activities		(1,208,585)	(1,182,079)
Net increase in cash and cash equivalents		1,932,000	3,216,733
Cash and cash equivalents at beginning of period		8,438,628	5,221,895
Cash and cash equivalents at end of period	9	10,370,628	8,438,628

The notes on pages 36 to 53 form part of these financial statements.

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

General Information

First Community Health & Care CiC (First Community) is a Community Interest Company incorporated in the United Kingdom. The address of its registered office and principal place of business is Forum House, 41-51 Brighton Road, Redhill, Surrey. First Community's principal activity is the provision of community health care services to east Surrey.

Note 1 - Statement of accounting policies

1.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the United Kingdom (IFRS).

The presentation of financial statements in accordance with IFRS requires the determination and consistent application of accounting policies to transactions and events. The principal accounting policies are set out below.

The Company's subsidiary, First Community Services Ltd, is dormant and, accordingly, consolidated group accounts are not required to be prepared.

1.2 Accounting Convention

These accounts have been prepared under the historic cost convention.

1.3 Going Concern

IFRS require the Board of Directors to assess and satisfy itself that it is appropriate to prepare financial statements on a going concern basis for at least 12 months from the date the accounts are signed.

The Board of Directors has undertaken a comprehensive review of income, expenditure, and associated cash flows, including considering the situation on continuity of key contracts.

Going concern period to 31 March 2024

In December 2019, the CCG made a Direct Award to First Community to continue to deliver adult community services until March 2024. This Direct Award gives directors certainty beyond the going concern period.

First Community also has a contract with Children and Family Health Surrey to deliver children's community services; The Commissioners has extended this contract by 12 months to 31 March 2024 as the system & providers have been focusing on Covid-19 and the knock-on impact of increased demand not procurement.

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

The Board's review of income, expenditure, contracts, cashflow and reserves concludes that First Community has sufficient resources to continue to trade for this going concern period and beyond. This conclusion is also informed by the recent track record of delivering within our contracted income as evidenced by First Community achieving surplus after tax for the last five years following the successful delivery of nationally contracted efficiency savings.

The Directors have considered the period to 31 March 2024 and have concluded that the going concern basis is appropriate.

1.4 Government grants

Government grants relating to tangible fixed assets and intangible assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned.

1.5 Property, plant, and equipment

Individual items of property, plant, and equipment costing over £5,000 are capitalised. Items costing under £5,000 may be capitalised where they are component parts of a larger project where the combined cost of all the components exceeds £5,000.

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

With effect from 1 April 2019, First Community has adopted IFRS16 "Leases". Right-of-use assets have been recognised from that date, equal to the discounted value of the initial lease liability and any initial direct costs incurred on new leases signed after that date.

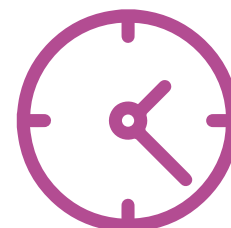
Where assumptions used in the calculation of the initial lease liability are amended, resulting in a change to the value of the lease liability, a corresponding change to the asset value is recognised.

1.6 Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following useful lives have been used in the computation of depreciation.

- Information and office technology – 5 years
- Medical equipment – 3 years
- Furniture – 5 years
- Leasehold improvements – over period of the lease
- Right of use assets – over actual or deemed period of the lease

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect new expectations.



First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

1.7 Intangible assets

Intangible assets are purchased computer software that is stated at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised over their useful lives, where known this will be over the known useful life, if unknown an estimated useful life of three years will be used. This will be applied using the straight-line method.

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an asset, the amortisation of that asset is revised prospectively to reflect new expectations.

1.8 Impairment of assets

At each reporting date property, plant, and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of a possible impairment, the recoverable amount of any asset (or group of related assets) is estimated and compared with its carrying amount.

If the estimated recoverable amount is lower, the carrying amount is reduced to the estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Comprehensive Income.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount limited to the amount that would have been determined if no impairment loss had been recognised in previous years. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income.

1.9 Pensions

First Community operates two pension schemes, with new employees able to choose which scheme to join.

Pensions Trust

The Pensions Trust scheme is a defined contribution scheme. A defined contribution plan is a post-employment benefit plan under which First Community pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

NHS Pension Scheme

The NHS pension scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under direction of the Secretary of State, in England and Wales. It is not possible for First Community to identify its share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as a defined contribution scheme. The Employer's pension cost contributions are charged to the operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the company commits itself to the retirement regardless of the method of payment.

The expected cost of providing pension benefits is recognised on a systematic basis over the period during which the organisation benefits from the employees' services by payments made to the NHS pension scheme or the Pensions Trust.

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

1.10 Revenue recognition

Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer and is measured at the amount of the transaction price allocated to that performance obligation. Where an invoice has not been raised for a specific performance obligation that has been satisfied in the financial year, that income is accrued. Where income is received for a specific performance obligation that is to be satisfied in the following financial year, that income is deferred.

Contract assets and contract liabilities have been recognised in replacement for accrued and deferred income. Payment terms are standard reflecting cross government principles.

1.11 Leases

Rentals applicable to all leases, other than short term leases of a term of 12 months or less and low value leases, are capitalised as right-of-use assets with a corresponding lease liability recognised in accordance with the requirements of IFRS16 "Leases". Irrecoverable VAT on such rentals is included in the value of the asset and liability.

Rentals applicable to short term and low value leases are charged against profits on a straight-line basis over the period of the lease.

Significant judgements made in the recognition of lease liabilities are disclosed in Note 12.

1.12 Provisions

Provisions for future liabilities are recognised when there is a present obligation arising from past events, the settlement of which is expected to result in a probable outflow of resources and the amount of which can be reliably estimated.

1.13 Value Added Tax

The financial statements are prepared net of recoverable VAT.

Nearly all the services provided by the organisation are exempt from VAT. This means that the organisation cannot charge VAT or recover the VAT paid on purchases. When we cannot recover VAT on purchases it becomes a cost to the organisation.

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

1.14 Taxation

Tax expense represents the sum of corporation tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit of the period in which the temporary differences are expected to reverse.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1.15 Financial instruments

Financial assets comprise of cash and cash equivalents and receivables that are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and subsequently held at amortised cost after an appropriate provision for expected credit loss. Cash and cash equivalents comprise cash balances and call deposits.

Financial liabilities comprise trade and other payables, lease liabilities and other financial liabilities. They are initially recognised at the fair value of consideration received, less directly attributable transaction costs. They are subsequently measured at amortised cost.



First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

Note 2: Revenue

	2022 £	2021 £
NHS Organisations	27,532,833	25,424,518
Local Authorities / CFHS LLP	4,406,035	4,144,829
Other	374,157	310,743
	32,313,025	29,880,090

Note 3: Expenses and auditor's remuneration

	2022 £	2021 £
Operating profit is stated after charging:		
Auditor's remuneration	27,000	22,300
Operating lease costs of land and buildings [see note 12]	41,947	40,259
Depreciation of right-of-use assets	1,212,436	1,089,959
Depreciation and amortisation of property plant and equipment	265,983	178,605
Purchased equipment expensed [see note 7]	206,869	207,386

Note 4: Staff numbers and costs

The average number of full time equivalent staff, including executive directors, employed by the Company during the financial period was:

	2022 number	2021 number
Staff	457	431
Executive directors	4	4
	461	435

The aggregate payroll costs of these persons were as follows:

	2022 £	2021 £
Salaries and wages	16,965,981	15,703,359
Social security costs	1,655,779	1,514,610
Contributions to defined contribution plans	83,778	78,911
Contributions to defined benefit plans	2,120,612	1,972,733
	20,826,150	19,269,613

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

Note 5: Directors' remuneration	2022 £	2021 £
Directors' emoluments	486,059	473,868
Company contribution to defined benefit pension scheme	59,546	59,550
	545,605	533,418

During the year retirement benefits were accruing to 4 directors (2020/21 - 4) in respect of defined benefit pension schemes.

	2022 £	2021 £
Total remuneration of highest paid director in this period was	120,455	117,272

Not Included within this remuneration is the company's pension contribution. For 2021/22 this was a £17,321 (2020/21 - £16,570) defined benefit contribution.

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

Note 6: Taxation	2022 £	2021 £
Current taxation		
Tax charge for the year	222,982	130,940
Adjustment in respect of prior periods	(2,198)	(79)
Current tax charge for the year	220,784	130,861
Deferred taxation		
Origination and reversal of temporary difference	120,858	5,904
Adjustment in respect of prior periods	0	(734)
Deferred tax charge/(credit) for the year	120,858	5,170
Total Income tax expense	341,642	136,031

Computed by applying the standard rate of UK corporation tax rate of 19% (2021: 19%) as follows:

	2022 £	2021 £
Profit before tax	1,695,545	728,761
Profit before tax, multiplied by standard rate of UK corporation tax of 19% (2021: 19%)	322,154	138,465
Effects of:		
Non-deductible items	(722)	83
Other tax adjustments	20,210	(2,517)
Total Income tax expense	341,642	136,031

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

Note 7: Property, plant and equipment

2022	Land and Buildings £	Leasehold Improvements £	Furniture £	Medical and IT Equipment £	Total £
Cost					
At 1 April 2021	5,128,358	899,566	276,970	1,485,945	7,790,839
Reclassification	(220,408)	0	0	220,408	0
Additions - owned assets	0	224,283	0	356,602	580,885
Additions - right-of-use assets	1,522,764	0	0	0	1,522,764
Disposals - right-of-use assets	0	0	0	(220,408)	(220,408)
31 March 2022	6,430,714	1,123,849	276,970	1,842,547	9,674,080
Accumulated depreciation and impairment					
At 1 April 2021	1,984,300	510,888	205,613	1,084,929	3,785,730
Reclassification	(18,367)	0	0	18,367	0
Depreciation for the period - owned assets	0	99,560	20,271	146,152	265,983
Depreciation for the period - right-of-use assets	1,212,436	0	0	0	1,212,436
Disposals - right-of-use assets	0	0	0	(18,367)	(18,367)
31 March 2022	3,178,369	610,448	225,884	1,231,081	5,245,782
Net Book Value at 31 March 2022	3,252,345	513,401	51,086	611,466	4,428,298
Net Book Value at 31 March 2021	3,144,058	388,678	71,357	401,016	4,005,109
Net Book Value at 31 March 2022 - owned assets	0	513,401	51,086	611,466	1,175,953
Net Book Value at 31 March 2022 - right-of-use assets	3,252,345	0	0	0	3,252,345

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

Note 7: Property, plant and equipment (continued)

2021	Land and Buildings £	Leasehold Improvements £	Furniture £	Medical and IT Equipment £	Total £
Cost					
At 1 April 2020	3,934,487	862,730	272,589	1,483,824	6,553,630
Additions - owned assets	0	36,836	4,381	285,731	326,948
Additions - right-of-use assets	1,193,871	0	0	0	1,193,871
Disposals - owned assets	0	0	0	(98,197)	(98,197)
Disposals - right-of-use assets	0	0	0	(185,413)	(185,413)
31 March 2021	5,128,358	899,566	276,970	1,485,945	7,790,839
Accumulated depreciation and impairment					
At 1 April 2020	968,506	393,476	184,599	1,222,084	2,768,665
Depreciation for the period - owned assets	0	117,412	21,014	72,290	210,716
Depreciation for the period - right-of-use assets	1,015,794	0	0	74,165	1,089,959
Disposals - owned assets	0	0	0	(98,197)	(98,197)
Disposals - right-of-use assets	0	0	0	(185,413)	(185,413)
31 March 2021	1,984,300	510,888	205,613	1,084,929	3,785,730
Net Book Value at 31 March 2021	3,144,058	388,678	71,357	401,016	4,005,109
Net Book Value at 31 March 2020	2,965,981	469,254	87,990	261,740	3,784,965
Net Book Value at 31 March 2021 - owned assets	0	388,678	71,357	401,016	861,051
Net Book Value at 31 March 2021 - right-of-use assets	3,144,058	0	0	0	3,144,058

During the period First Community purchased equipment totalling £206,869 (2021: £207,386) which has been expensed in the period as the items individually were below £5,000 and hence below the accounting policy threshold for capitalisation.

Disclosure of the assumptions used on the initial adoption of IFRS16 are shown in Note 12.

First Community Health & Care CiC
Notes to the financial statements for the year ended 31 March 2022

Note 8: Intangible assets

	2022 £
Cost	
At 1 April 2021 and 31 March 2022	623,303
Accumulated amortisation and impairment	
At 1 April 2021 and 31 March 2022	623,303
Net Book Value 31 March 2021 and 31 March 2022	0
	2021 £
Cost	
At 1 April 2020 and 31 March 2021	623,303
Accumulated amortisation and impairment	
1 April 2020	564,838
Amortisation for the period	58,465
31 March 2021	623,303
Net Book Value 31 March 2021	0
Net Book Value 31 March 2020	58,465

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

Note 9: Cash and cash equivalents

	2022 £	2021 £
Cash	10,370,628	8,438,628

Cash and cash equivalents comprise of cash and deposits held at commercial banks.

Note 10: Trade and other receivables

	2022 £	2021 £
Trade debtors	1,063,580	823,621
Prepayments	519,000	291,795
Other receivables	28,650	29,948
	1,611,230	1,145,364

Note 11: Trade and other payables

	2022 £	2021 £
Trade payables	1,260,248	2,497,097
Accruals	794,479	1,508,158
Contract liabilities	5,612,388	2,431,519
Other payables	785,277	863,952
Corporation tax payable	221,724	130,940
	8,674,116	7,431,666

Contract liabilities

	2022 £	2021 £
At 1 April	2,431,519	833,359
Revenue recognised in the year where obligations met	(670,826)	(630,096)
Revenue deferred in the year where obligations yet to be met	3,851,695	2,228,256
At 31 March	5,612,388	2,431,519

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

Note 12: Lease obligations

Lease liabilities of £1,545,560, are disclosed within non-current borrowings, and lease liabilities of £1,235,114 are disclosed within current borrowings on the face of the statement of financial position.

Rentals applicable to all leases, other than short term leases of a term of 12 months or less and low value leases, are capitalised as right-of-use assets with a corresponding lease liability recognised. Irrecoverable VAT on such rentals is included in the value of the asset and liability.

The significant judgements made by First Community in calculating the lease liabilities are:

- First Community is occupying a number of properties under licence or under the terms of expired leases. For these properties, the lease liability has been calculated based on the current rental payments through to 31 March 2024.
- The Company's main contract for the provision of adult services is due to expire on 31 March 2024. Accordingly, in the opinion of the Directors, this is the most appropriate date to be used in calculating the lease liabilities for all property leases, including the signed leases that extend to 31 March 2029 but which have a break clause on 31 March 2024.
- An incremental borrowing rate of 0.91% has been used in the calculation of all lease liabilities for leases signed in the year.
- No adjustment for rents that might vary resulting from future variable future rent reviews have been reflected.

	2022 £	2021 £
Effect of leases on financial performance:		
Depreciation charge for the year included in cost of sales for right-of-use assets		
- land and buildings	1,212,436	1,015,794
- IT equipment	0	74,165
Total	1,212,436	1,089,959
Lease expense for the year included in cost of sales:		
- short term property leases	41,947	40,259
- short term equipment leases	29,341	55,110
- leases of low-value equipment assets	54,952	22,520
- variable lease payments not included in the measurement of the lease liability	40,399	9,252
Total	166,639	127,141
Interest expense for the year on lease liabilities recognised in finance costs	46,637	53,979

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

Note 12: Lease obligations (continued)

	2022 £	2021 £
Effect of leases on cashflow		
Repayment of lease liabilities	1,161,948	1,128,100
Interest paid on lease liabilities	40,940	53,979
Interest paid on provisions relating to leases	5,697	0
Other lease expenses as analysed above	40,399	9,252
Total cash outflow for leases in the year	1,248,984	1,191,331
Lease commitments		
Lease commitments for short-term and low value leases as at 31 March were as follows:		
Short term property leases	2,760	5,167
Other short term leases	6,509	5,026
Low value leases	57,856	70,495
Lease obligations		
At 1 April	3,106,421	3,040,650
New obligations in the year	992,340	1,193,871
Interest charge for the year	40,940	53,979
Derecognised in the year	(156,140)	0
Paid in the year	(1,202,887)	(1,182,079)
At 31 March	2,780,674	3,106,421
Due within one year	1,235,114	1,134,167
Due within two to five years	1,545,560	1,972,254
	2,780,674	3,106,421

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

Note 12: Lease obligations (continued)

Maturity analysis of lease obligations

The maturity of the gross contractual undiscounted cash flows due on the Company's lease liabilities is set out below.

	Within One Year £	Within Two to Five Years £	Total £
Lease obligations for right-of-use assets	1,271,183	1,552,498	2,823,681
Obligations for short term and low value leases	67,125	0	67,125
Total lease obligations	1,338,308	1,552,498	2,890,806

Apart from the new lease at Orchards, additional lease obligations exist beyond 31 March 2024, but have not been recognised, as the Directors consider 31 March 2024 to be the most appropriate date to use for recognition purposes, being the date the main contract for the provision of adult services is due to expire, and the relevant leases have a break clause exercisable at that date. The total undiscounted value of these additional lease obligations on 31 March 2022 are £800,640, of which £160,128 is due in the year to 31 March 2025, £160,128 is due in the year to 31 March 2026 £160,128 is due in the year to 31 March 2027, and £320,256 is due after 31 March 2027.

For the Orchard lease, obligations up to the date of the break clause on 14 August 2026 have been recognised, but the obligations from 15 August 2026 to the end of the lease on 3 February 2030 have not. The total undiscounted value of these additional lease obligations on 31 March 2022 are £480,364, of which £120,380 is due in the year to 31 March 2027 and £359,984 is due after 31 March 2027.

Note 13: Provisions

2022	Dilapidations £	Disputed invoices £	Total £
1 April 2021	0	106,530	106,530
Recognised/(released) in the year	530,424	(106,530)	423,894
Interest charge for the year	5,697	0	5,697
31 March 2022	536,121	0	536,121

Provisions for dilapidations due at the end of the property leases were recognised during the year.

On 31 March 2021, First Community held a number of disputed invoices with NHS Property Services Ltd. The dispute was resolved in the year to 31 March 2022 and the provision of £106,530 was released in full.

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

Note 14: Deferred tax asset/(liability)

2022	Accelerated tax depreciation £	Other timing differences £	Total £
1 April 2021	(112,793)	51,821	(60,972)
Charge to profit or loss	(112,222)	(8,636)	(120,858)
31 March 2022	(225,015)	43,185	(181,830)

2021	Accelerated tax depreciation £	Other timing differences £	Total £
1 April 2020	(83,780)	27,978	(55,802)
(Charge)/credit to profit or loss	(29,013)	23,843	(5,170)
31 March 2021	(112,793)	51,821	(60,972)

Note 15: Share capital

	2022 £	2021 £
£1 Ordinary shares unpaid	335	336

During the period the Company issued one £1 Ordinary share to a further 47 employees and cancelled 48 ordinary shares for employees who left the Company.

The employees had not paid for the shares as at the balance sheet date.

Note 16: Related party transactions

The Company's subsidiary, First Community Services Ltd, has not traded in the current or preceding financial year and is a dormant company. There are no balances due to or from this subsidiary.

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

Note 17: Financial instruments

	Carrying value 2022 £	Fair value 2022 £	Carrying value 2021 £	Fair value 2021 £
Cash and cash equivalents	10,370,628	10,370,628	8,438,628	8,438,628
Trade and other receivables	1,092,230	1,092,230	853,569	853,569
Total financial assets	11,462,858	11,462,858	9,292,197	9,292,197
Trade and other payables	2,073,461	2,073,461	3,432,600	3,432,600
Lease liabilities	2,780,674	2,780,674	3,106,421	3,106,421
Total financial liabilities	4,854,135	4,854,135	6,539,021	6,539,021

The fair value of cash and cash equivalents, trade and other receivable and payables approximates to carrying value.

In relation to the Company's exposure to risk in relation to cashflow the Directors consider this risk to be low.

Note 18: Post balance sheet events

There are no post balance sheet events to report.

First Community Health & Care CiC

Notes to the financial statements for the year ended 31 March 2022

Note 19: Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as of 31 March 2022, is based on valuation data as of 31 March 2019, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (considering recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as of 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018, Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

First-rate people. **First-rate** care. **First-rate** value.

Further information and feedback

If you would like to find out more about our services, please visit our website at:

www.firstcommunityhealthcare.co.uk

If you would like this information in another format or language, or would like to provide feedback about this account or any of our services, please contact:

Telephone: 01737 775450

Email: fhc.enquiries@nhs.net

Twitter: [@1stchatter](https://twitter.com/1stchatter)

