Registration number: 12250218

Practice Plus Group Topco Limited

Annual Report and Consolidated Financial Statements

30 September 2024

Contents

Company Information

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Strategic Report for the Year Ended 30 September 2024

The Directors present their Strategic Report, Directors' Report and Financial Statements for the year ended 30 September 2024.

Our Group

Practice Plus Group Topco Limited and its subsidiaries (the "Group") provides healthcare services including hospitals and surgical centres, GP practices, NHS walk-in centres, GP out-of-hours, prison health services and clinical assessment and diagnostics facilities. We are also proud to deliver one of the country's leading ophthalmology services and run a number of NHS 111 call centres.

We work with the NHS to take healthcare services closer to where people live and work - increasing the efficiency and quality of the services we deliver and helping to reduce waiting times- but also provide fast, high-quality hospital treatment to patients who wish to self-fund or use private health insurance.

We assess, diagnose and treat more than one million NHS patients every year, providing services which are free at the point of use.

At Practice Plus Group, our vision is to deliver "Access to Excellence". We strive to practice exceptional healthcare every day, growing responsibly so that we can help more people. Our services are chosen and trusted by patients and NHS Commissioners, and are easily available to all. We are driven by innovation and proudly deliver through expert colleagues working together as a team.

Our values are:
- We treat patients and each other as they would like to be treated
- We act with integrity
- We embrace diversity
- We strive to do things better together

Principal activity

The principal activity of the Group is the provision of healthcare services, principally to the public sector with an increasing focus on private sector offering in the field of elective surgery.

Strategic Report for the Year Ended 30 September 2024

Review of the business

The Group has had a good performance in its core service lines during the year with strong revenue growth dropping through to EBITDA for Secondary Care and Health in Justice. The table below shows the key performance indicators for the Group's services for the year:

	Revenue	
	30 September 2024 £ 000	30 September 2023 £ 000
Secondary Care	229,367	211,001
Health in Justice	247,528	205,463
Integrated Urgent Care	123,882	118,535
Elimination	(1,505)	(350)
	599,272	534,649

EBITDA is the Group's key profitability metric. It is the operating profit for the year, adjusted for non-recurring items, depreciation, amortisation and any impairment. A full description of EBITDA can be found within the accounting policies.

	EBITDA	
	30 September 2024 £ 000	30 September 2023 £ 000
Secondary Care	27,165	23,162
Health in Justice	24,822	20,424
Integrated Urgent Care	9,861	10,172
Central Services	(7,272)	(5,505)
	54,576	48,253

The table below shows a reconciliation of EBITDA which is the Group's key profitability measure, to the Operating profit which is disclosed on the face of the Income Statement.

		Group Operating Profit	
	Note	30 September 2024 £ 000	30 September 2023 £ 000
EBITDA		54,576	48,253
Non-recurring items	5	(4,071)	(2,674)
Depreciation	13,14	(16,875)	(15,797)
Amortisation	12	(11,043)	(10,517)
Operating profit		22,587	19,265

The increase in Group operating profit against the prior year is predominantly driven by strong operational growth which has offset higher depreciation and non-recurring items.

Strategic Report for the Year Ended 30 September 2024

Secondary Care

In partnership with local NHS trusts and Integrated Care Boards, the Secondary Care service operates seven hospitals (including a newly acquired hospital in Birmingham, note that no trading in this new hospital occurred in year), three surgical centres, two county-wide multi-location musculoskeletal services, two Urgent Treatment Centres (providing direct walk-in access for the assessment and treatment of injury and illness on a no appointment basis, or with patients being referred via the 111 service) and delivers ophthalmology services throughout England.

Our hospitals, surgical centres and clinics provide prompt assessment, diagnosis and treatment to approximately 85,000 NHS patients each year. They offer a range of diagnostic, as well as inpatient and outpatient services for patients who need surgical treatment or physiotherapy. The hospitals and surgical centres cover a range of specialties, including orthopaedics, endoscopy, ophthalmology, urology, gynaecology, oral and general surgery. Most centres also offer diagnostic imaging, such as X-rays and MRI, CT and Ultrasound scans.

Overall, the number of procedures undertaken by our Secondary Care service remained broadly in line with the prior year with higher revenue driven by tariff increases and changes in procedure mix.

The key performance indicators relating to Secondary Care for the year are as follows:

	2024	**2023**
Secondary Care revenue £'000	229,367	211,001
Secondary Care EBITDA £'000	27,165	23,162
Secondary Care procedures	85,028	85,420

Health in Justice

The Group is the largest provider of healthcare services to prisons and secure facilities in England, operating at 61 different sites with services ranging from reception health checks and regular GP services, to help with substance misuse, mental health, chronic or long term conditions, podiatry, physiotherapy and optometry. We collaborate with commissioning bodies to assess the needs of each establishment. The Group works towards improved outcomes, reduced waiting times and access to excellent front-line healthcare for prisoners and detainees.

Growth remains a key part of the strategy and this year we have mobilised new services in HMP Leicester, HMP Gartree, HMP Full Sutton, HMP Preston, HMP Lancaster Farms, HMP Thorn Cross, HMP Risley and HMP Kirkham.

This year the Group has developed a strategy for the diversification of its existing detained environment services into adjacent markets such as Police Custody, Liaison & Diversion, and RECONNECT services. This will help us to achieve our organisational vision to become a strategic partner across the entire criminal justice pathway, with development of these services a key strategic objective in the next financial year.

In addition to our portfolio diversification, we seek to continue the growth of our existing secure environments services through the development of opportunities for new build prisons such as HMP Millsike, which goes live in April 2025, along with similar opportunities that will come to market due to the significant population pressures faced by His Majesties Prison and Probation Services.

The key performance indicators relating to Health in Justice for the year are as follows:

	2024	**2023**
Health in Justice revenue £'000	247,528	205,463
Health in Justice EBITDA £'000	24,822	20,424
Health in Justice prison population at 30th September	42,295	38,011

Strategic Report for the Year Ended 30 September 2024

Integrated Urgent Care

Integrated Urgent Care includes the provision of NHS 111 services, Clinical Assessment Services (CAS), Out of Hours (OOH) GP services, and GP practices in England. The strategy is to expand geographic spread of these services through winning new contracts and delivering additional services within our existing contracts. During the year, we have successfully retained all of our existing contracts that were due to expire, while adding a small community beds contract in Devon. We currently provide circa 15% of NHS 111 services and circa 14% of OOH services in England.

This has been the first year post pandemic with relatively settled volumes, which has allowed us to focus on improving some of our key performance metrics. Within 111 there has been a significant reduction in call waiting times which in turn has reduced the number of abandoned calls. We have also made material improvements in our validation of ambulance and Emergency Department calls to ensure that patients are being treated in the most appropriate setting. We have also opened a new contact centre in the North East of England to provide additional capacity and resilience to the 111 network which has impacted on profitability during the year.

The key performance indicators relating to Integrated Urgent Care for the year are as follows:

	2024	2023
Integrated Urgent Care revenue £'000	123,882	118,535
Integrated Urgent Care EBITDA £'000	9,861	10,172
Integrated Urgent Care 111 calls answered	2,493,115	2,168,201
Integrated Urgent Care CAS patient interactions	370,385	337,607
Integrated Urgent Care OOH patient interactions	513,647	538,238

Net debt and cash flow

During the previous financial year, the Group signed a Senior Facilities Agreement. This comprised two tranches- a £100m Term B Loan repayable on 18 November 2029 and a £20m Revolving Credit Facility ("RCF"), repayable on 18th May 2029. The Term Loan of £100m was drawn in full on 18th November 2022 and bears interest at SONIA +6.5%. £5m of the RCF has been scoped out as an overdraft facility with the remaining £15m available for RCF drawdowns. The RCF bears interest at SONIA +3.75%. There is a leverage-based interest rate ratchet which applies to the margin on the Term Loan with the potential for interest rates to reduce further in the future as leverage ratio reduces. In order to mitigate the impact of uncertain interest rates, the Group paid £1.3m to purchase a two-year interest rate cap which caps SONIA at 4.25%.

During the current year, the Group has drawn an additional £35m of Term Loan as an additional facility under the existing Senior Facilities Agreement. This bears interest at the same rate, and has the same terms as the initial £100m Term loan, although no interest rate cap has been purchased in order to mitigate interest rate risk on this tranche.

At 30th September 2024, the net debt for the Group was £100.3m, comprising cash of £34.7m, offsetting the £135m Term Loan. See note 29 for a reconciliation of movements in net debt.

Strategic Report for the Year Ended 30 September 2024

The Group manages its net debt through focusing on its liquidity which includes cash, and the undrawn amount of the Revolving Credit Facility. A summary of the Group's liquidity position is below:

	Group	
	30 September 2024 £ 000	**30 September 2023 £ 000**
Cash	34,693	19,775
Overdraft facility	5,000	5,000
RCF facility	15,000	15,000
Restricted cash relating to NHS pension contributions	(716)	(214)
Total Liquidity	53,977	39,561

At 30 September 2024, the Group had no borrowings outstanding under the £15m RCF and the £5m overdraft remains undrawn.

Principal risks and uncertainties

The Board of Directors has overall responsibility for the Group's approach to assessing and managing risk. The senior leadership team is responsible for implementation of the policies and ensuring compliance. The divisional management teams are responsible for maintaining appropriate control environments. The principal risks faced by the Group are set out below:

Market risk

The main risk faced by the business is the impact of the many challenges facing our primary customer, the NHS, and the political appetite to allow independent providers to offer NHS services especially with a change in Government. These factors can have a direct impact on the number of referrals we receive for our elective surgery and CATS & Diagnostics businesses, and can vary dependant on the locality of the trading unit and the relationships we have with the local Integrated Care Boards ("ICB"). The mitigation for this risk is to continually strive to deliver high levels of quality, safety and patient satisfaction.

Regulatory risk

The facilities operated by the Group are regulated by the Care Quality Commission and must comply with relevant standards and legislation. The Group operates stringent clinical quality processes to ensure the safety of our patients which is paramount.

Liquidity risk

The Group has access to a Revolving Credit Facility and overdraft which are available to manage any working capital requirements. A policy of prudent liquidity risk management is applied with detailed cashflow forecasts prepared on a weekly basis to ensure sufficient liquidity headroom is managed. There are covenants relating to the Revolving Credit Facility which the Group must adhere to which is managed by careful cashflow planning and monitoring of all compliance deadlines and ensuring a good working relationship with our bankers.

Inflation risk

Although UK inflation has reduced from its more recent peak, costs continue to rise and there has been significant cumulative cost pressures on consumables, utilities and staff costs. The nature of many of the Group's contracts with customers is such that some of the impact of inflation is passed back through the contracted revenue price which helps to mitigate the impact. There is a risk that some inflationary increases such as national insurance contribution increases may not be covered by tariff uplifts.

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People risk
The Group relies on its ability to recruit and retain skilled staff in order to provide all of its services. A sector-wide shortage of medical professionals can cause issues for the Group, with vacancies covered by agency staff where necessary. This has an associated cost impact. The Group is working to develop its reputation as an employer of choice and looking at measures to encourage staff retention.

Credit risk
Credit exposures in relation to customers is limited given that the majority of the Group’s revenue is attributable to publicly funded entities such as ICBs and other NHS funded bodies. The Group has no significant concentrations of credit risk and consequently provision for bad debts is low and is not considered to be a risk.

Interest rate risk
Since the November 2022 refinancing, the Group has been exposed to interest rate volatility as its borrowings now incur interest at a floating rate. In order to mitigate this risk, the Group purchased a two year interest rate cap in order to reduce the potential impact of rising interest rates over the £100m Term loan. This cap will expire during the next financial year. The Group has not purchased an interest rate cap for the additional £35m of debt entered into this year, however given the market expectation that interest rates are on a downward trajectory, the risk is not expected to be significant.

Section 172(1) statement

The Board of Directors are responsible for making key decisions, supported by the senior leadership team. All decisions are assessed against the Group's values to ensure all financial and non financial impacts are assessed and considered as part of the decision-making process.

The Directors recognise that our employees are our key asset and that recruitment and retention of skilled staff is vital to the continuing success of our business. We offer a broad range of services which ensure staff have the opportunity to progress across our services and specialties. We offer a flexible work/life balance with an array of education, training and development opportunities to help develop our staff. We carry out annual employee engagement surveys to ensure that we continue to understand and act in the best interest of our employees.

We are committed to providing consistent, high quality service to local communities and regularly engage with our patients and service users to ask for their feedback. We use this feedback to develop robust action plans to ensure we have a programme of continuous improvement. We encourage openness and the honest reporting of any issues and, in the event of any performance or service shortcomings, we ensure a full and open review is carried out and shared widely.

We understand that as a Group we impact directly on the communities in which we operate and therefore we ensure all of our decision-making is supported by analysis of impacts both internal to our organisation and external. We are constantly striving to find more energy efficient ways to deliver our services.

The Group is committed to supporting research and investing in social initiatives and charitable organisations which support wellbeing. Our colleagues regularly extend their care for others beyond their day job and out into their own communities through a range of fundraising activities. We are delighted to reward and acknowledge their efforts through our Working with the Community Fund which provides matched funding up to £500 per application.

Our commitment as a provider of healthcare has always been to best quality, best practice and best outcomes in everything we do. This belief guides corporate culture and behaviours to ensure the highest possible standards of conduct. The Group has implemented a number of policies to ensure compliance.

Strategic Report for the Year Ended 30 September 2024

It is our policy to conduct all of our business in an honest and ethical way. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

The requirement to comply with the Group's internal policies forms part of an individual's terms of employment and there are processes available to deal with instances of non-compliance. The Group believes these policies operate effectively and also recognises the importance of robust processes to mitigate against both the likelihood and the impact of risks crystallising.

Engagement with suppliers, customers and other relationships

The Group does not follow a specific code or statement on payment practice. However, it is the Group's policy to pay its suppliers in accordance with the payment terms agreed at the outset of the relationship providing the supplier adheres to its obligations.

Corporate governance

The Directors consider the annual report and financial statements to comply with all aspects of the Walker Guidelines for Disclosure and Transparency in Private Equity and also with the Wates Principles.

Wates Principles

Our values are:
• We treat patients and each other as we would like to be treated
• We act with integrity
• We embrace diversity
• We strive to do things better together

These values inform expected behaviours and practices throughout the organisation. They are integrated into the different functions and operations of the business. This includes medical governance, internal assurance, employment practices, risk management, and compliance frameworks. The Board, shareholders and management are committed to embedding this culture throughout the organisation. This is effectively monitored through patient feedback, employee surveys, CQC feedback and all the wider NHS accreditation and monitoring mechanisms.

1. Purpose and leadership
The Board has built a strategy and business model to generate long-term sustainable value. Practice Plus Group is a diversified Health Care organisation and each discreet business unit or service line has its own strategy, which is regularly reviewed and validated. The Board is responsible for ensuring that the strategy is clearly articulated and implemented throughout the organisation, and that it, along with the company values, supports appropriate behaviours and practices. The Board has lead on the establishment of transparent policies in relation to raising concerns about misconduct and unethical practices. The Board manages conflicts of interest and a balance is struck between short-term targets or needs, and long term aspirations.

2. Board composition
The Chair, who is an independent non-executive, leads the Board and is responsible for its overall effectiveness, promoting open debate and facilitating constructive challenge and discussion. The ultimate Group Board comprises seven individuals, four of whom are non-executive and three executives, the Chief Executive Officer, the Chief Operating Officer and Chief Financial Officer. Two of the non-executives represent the majority shareholder. The Board has the appropriate combination of skills, backgrounds, experience and knowledge that promotes accountability and incorporates objective thought. It provides constructive challenge to achieve effective decision-making.

Strategic Report for the Year Ended 30 September 2024

3. Directors' responsibilities
The Board has established and maintains corporate governance practices that provide clear lines of accountability and responsibility to support effective decision-making. The Group has set out, in its Delegation of Authority Matrix, the policies and practices that govern the internal affairs of the company. The Board's policies and procedures support effective decision-making and independent challenge.

Full Board meetings are held monthly and the following sub-committees are in place:
• The Audit and Risk Committee,
• The Remuneration Committee and
• The Medical Governance Committee

They are all chaired by Non-Executives and meet as required. The terms of each committee are set out in the Delegation of Authorities Matrix, including authorities delegated to it. The Board retains responsibility for all final decisions.

The authority, accountability, role and conduct of Directors is clear. Directors are aware of potential conflicts and have a process to identify and manage this risk. The Directors act in the ways they consider, in good faith, are most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to:

(a) The likely consequences of any decision in the long term;
(b) The interests of the Company's employees;
(c) The need to foster the Company's business relationships with suppliers, customers and others;
(d) The impact of the Company's operations on the community and the environment;
(e) The desirability of the Company maintaining a reputation for high standards of business conduct; and
(f) The need to act fairly as between members of the company

The Chair and the Company Secretary periodically review the governance processes to confirm that they remain fit for purpose. They consider any initiatives which could strengthen the governance of the Group.

Strategic Report for the Year Ended 30 September 2024

4. Opportunity and risk
The Board regularly considers and assesses how the Group creates and preserves value over the long-term. This includes both tangible and intangible sources of value, and the stakeholders that contribute to it. New business opportunities are considered and approved at board level.

The Board has responsibility for the organisation's overall approach to strategic decision-making and effective risk management (financial and non-financial), including reputational risk. This requires oversight of risk and how it is managed, and appropriate accountability to stakeholders. The Board has established an internal control framework and systems that are in place to manage and mitigate both emerging and principal risks. There is frequent risk reporting and clear points at which decisions are made and escalated. Risk is principally managed through the Medical Governance and Audit and Risk sub committees and responsibilities include:

• developing appropriate risk management systems that identify emerging and established risks facing the company and its stakeholders;
• determining the nature and extent of the principal risks faced and those risks which the organisation is willing to take in achieving its strategic objectives (determining its 'risk appetite');
• agreeing how the principal risks should be managed or mitigated and over what timeframe to reduce the likelihood of their incidence or the magnitude of their impact;
• establishing clear internal and external communication channels on the identification of risk factors, both internally and externally; and
• agreeing a monitoring and review process.

5. Remuneration
The Board has established executive remuneration structures that are aligned with performance, behaviours, and the achievement of company purpose, values and strategy and the delivery of long-term sustainable success. This takes account of the broader operating context, including the pay and conditions of the wider workforce and the company's response to matters such as any gender pay gap.

Remuneration decisions have been delegated to the Remuneration Committee, which is chaired by a Non-Executive Director. It is responsible for designing remuneration policies and structures for Directors, senior management and the organisation as a whole.

Strategic Report for the Year Ended 30 September 2024

6. Stakeholder relationships and engagement
Directors foster effective stakeholder relationships aligned to the Group's purpose. The Board oversees meaningful engagement with stakeholders and has regard to their views when taking decisions. Stakeholders include the workforce, customers and suppliers, regulators, the NHS, pensioners, creditors and community groups.

Approved by the Board on 14 January 2025 and signed on its behalf by:

....
Colman Moher
Director

Ground Floor,
1330 Arlington Business Park,
Theale,
Reading,
England,
RG7 4SA

Directors' Report for the Year Ended 30 September 2024

The Directors present their Directors' report and the consolidated financial statements for the year ended 30 September 2024.

Directors
The Directors, who held office during the year, were as follows:

James Easton

Michael Parish- Chairman

Philip Whitecross

Robert Moores

Dan Haxby

Ross Dowsett

Colman Moher

James Easton: Chief Executive Officer
• Joined Practice Plus Group in February 2013
• Previously was National Director of Improvement and Efficiency at the Department of Health. Led the national Quality, Innovation, Productivity and Prevention ("QIPP") project that works across the NHS to improve both quality and efficiency.
• Was Chief Executive of the NHS South Central Strategic Health Authority and Chief Executive Officer of York Hospitals NHS Foundation Trust.
• More than 30 years experience in the NHS with experience in primary care, mental health, healthcare commissioning and policy development.

Ross Dowsett: Chief Operating Officer
• Joined Practice Plus Group in June 2008
• Extensive experience in the healthcare industry
• In July 2022 Ross stepped into the role of Chief Operating Officer covering all the Group's services of Health in Justice, Integrated Urgent Care and Secondary Care.
• Previously as Managing Director of Primary Care he successfully led the growth strategy in Health in Justice moving from 12 sites to 49 sites as well as the significant turnaround in Integrated Urgent Care.
• Prior to joining the Group, Ross worked in the aviation industry for 7 years in business analytics, operations & human resources before joining BUPA hospitals in 2006 in an operational capacity.

Colman Moher: Chief Financial Officer
• Joined Practice Plus Group in May 2023
• Has over 20 years of Board experience responsible for Finance, Commercial and Operations in public and private organisations
• Has worked predominantly in international consumer goods and retail settings with experience in heavily regulated environments such as Social Care, Public Transport and Financial Services
• Graduated with an economics degree and trained as an accountant with BDO.

Robert Moores and Dan Haxby are Non-Executive Directors representing the majority shareholder, Bridgepoint.

Michael Parish and Philip Whitecross are Non-Executive Directors who were previously Executive Directors of Practice Plus Group when it was the Healthcare division of Care UK, prior to its sale in October 2019 and have extensive knowledge and experience of the activities of the Group.

Directors’ Report for the Year Ended 30 September 2024

Dividends

During the year, the Group declared and subsequently paid a dividend of £34.1m (2023: £53.3m).

Information included in the Strategic Report

The review of business is noted in the Strategic Report.

Charitable donations

During the year the Group made charitable donations of £14,575, mainly related to matched funding of employee's fundraising (2023: £6,584).

Gender diversity

The following table shows the gender diversity relating to our workforce during the year:

Group	Male %	Female %
Board of Directors	100	-
Senior Management	33	67
Other Employees	24	76

The Group is committed to equality, diversity and inclusion ("EDI"). Our work here is overseen by an established EDI steering group led by the Company Secretary and reporting directly to the Chief Executive. Steps taken to specifically address the gender composition of our workforce and in particular the Gender Pay Gap are on-going and have included the provision of the Springboard programme (an award-winning work and personal development programme for women), the formation of a Female Leaders group, an equal-pay analysis undertaken for senior roles and amendments made as appropriate, and targeted positive action in relation to senior internal movement and external hires. We were delighted to be named Our Health Heroes’ Equality, Diversity and Inclusion (ED&I) Champion for 2023.

Directors' Report for the Year Ended 30 September 2024 (continued)

Non-financial and sustainability information

Taskforce on climate- related financial disclosures (TCFD)
In order to meet the requirements imposed by the Climate Change Governance and Reporting Regulations 2021, the Group has developed a good understanding of the climate-related risks and opportunities that are relevant to the business, broadly considered in two groups:

• Physical risks are those that pertain to the physical impacts that occur as the global average temperature rises. For example, the rise in sea levels could have impacts such as flooding and mass migration. Extreme weather events, such as flooding and fires, could become more frequent and severe, and these incidents could threaten physical assets and disrupt international and local supply chains.
• Transition risks arise as the UK seeks to realign its economic system towards low-carbon, climate-resilient solutions. Changes in sector regulation, consumer preferences and technology will take place and impact on current and future investments.

The Group recognises that climate change risks are financial risks. The financial risks resulting from the effects of climate change have a number of distinctive elements:
• Far-reaching in breadth and magnitude: The financial risks from physical and transition risk factors are relevant to multiple lines of business, across England. Their full impact may therefore be larger than for other types of risks, and the risks are potentially non-linear, correlated and in some cases, irreversible.
• The time horizons over which financial risks may be realised are uncertain. Past data is unlikely to be a good predictor of future risks.
• There is a high degree of certainty that financial risks from some combination of physical and transition risk factors will occur.
• The magnitude of future impact will, at least in part, be determined by the actions taken today.

Governance
The Group considers that climate related risks and opportunities are treated no different than any other type of risk or opportunity. Our Carbon Reduction Plan is owned by the Chief Information Officer ("CIO") who is a member of the Executive team and attends board meetings. The CIO works with the Health and Safety lead to manage and maintain the plan. The Board is updated on an ad hoc basis on progress towards net zero and any board level escalations required.

The Group identifies, assesses, and manages climate-related physical risks, through environmental impact assessments and escalation of these risk to the Group's Quality and Compliance Committee.

Strategy
Practice Plus Group undertook scenario analysis to identify the short-term transition risks and opportunities impacting our organisation. The two risks that have the highest likelihood and material impact to our business are;
a. Increased costs of compliance due to increased energy efficiency and EPC standards; and the
b. Increase in demand for low carbon energy.

Neither of these risks are expected to have a material impact on the Group's activities in either the short or long term.

Directors' Report for the Year Ended 30 September 2024 (continued)

Risk management

Practice Plus Group has identified climate-related risks and opportunities that might arise over the coming decades across three climate scenarios.

The scenarios used were as per the IPCC's sixth assessment report:
- SSP5-8.5 (Business as usual) where emissions continue to rise throughout the 21st century unabated.
- SSP2-4.5 (Emissions peak in 2040) where emissions do not increase beyond 2040.
- SSP1-2.6 (Paris-aligned scenario) where emissions are compatible with the objectives of the Paris agreement.

A table-top scenario assessment was conducted utilising business-as-usual (BAU) emissions scenario of the assessment, i.e., worst-case scenario, indicated flood risk as our most significant risk until the middle of the century. As such, actions to adapt to flooding will be a priority for Practice Plus Group in the short and medium term. Beyond 2050, by far the greatest risk faced by the Group is heat stress. In the latter part of this century our estate will face a high risk or greater from heat. Due to the future scale and severity of this risk, the Group will look to adapt properties to heat stress in the medium term and continue throughout the century.

Other hazards considered are precipitation, wind and wildfire. No property in the Group's portfolio; under any of the three scenarios faces a greater than moderate risk from these hazards between now and 2100.

Metrics and Targets

The Group has already begun the active journey to Net Zero with the objective of achieving net zero by 2030. The Group has adopted the UN Climate Neutral Now definition of Net Zero as "the state where a balance between anthropogenic greenhouse gas (GHG) emissions and removals is achieved", by taking the following actions:

- Measuring 100% of the organisation's GHG emissions
- Reducing GHG emissions as far as possible; and
- Offsetting remaining emissions through projects that remove carbon from the atmosphere in the long term.

Specifically we have taken action to offset all of our business travel for the past three years, underlining our commitment to recognising and redressing our impact on the environment. We are planting a forest of 20,000 trees in Haiti, which will provide food security for the local population, as well as capturing 1,600 tonnes of CO2 over a ten year period. This initiative will be used to 'Offset' Practice Plus Group's business travel.

As a Group, we have well established metrics and targets related to emissions and transition risks. The Scope 1 and Scope 2 emissions data below includes all sites which we operate under formal lease agreements regardless of whether we are billed for our energy consumption or not. Where energy consumption data is not available, estimates have been made using comparable Group sites based on revenue or square footage as appropriate. The data does not include sites where we deliver services where we do not lease or rent the premises such as prisons or some of the OOH sites where we may provide services on a more ad hoc basis. We have also reported a number of our Scope 3 emissions. As part of the Group's drive to achieve Net Zero, the Group understands the need to capture all emissions regardless of source, which requires a better understanding of the scope 3 emissions that are not currently uniformly quantified and will be looking to develop further our processes in this area over the coming financial year.

See summary of emissions against prior year in the Streamlined Energy and Carbon Reporting section of this report.

The Quality and Compliance Committee monitors the progress against the Group's Carbon Reduction Plan.

Directors' Report for the Year Ended 30 September 2024 (continued)

Streamlined energy and carbon reporting ("SECR")

Energy efficiency actions taken during the period

During 2023/24 we continued to improve our energy efficiency by:

- Operating the Treatment Centres more efficiently to increase our revenue per tonne of carbon
- Replacing failed or failing energy consuming assets with the most energy efficient solution within the constraints of the relevant HTM specification.

In addition, we have:

- Completed an investment of £100ks in LED lighting such that all our Treatment Centres are now fully LED. We have now successfully completed all of our IUC 111 call centres and are working with landlords where we operate a hosted service to do the same.
- Complied with the ESOS obligations through a combination of audits and DECs. This is being translated into an Action Plan.
- Confirmed that ventilation systems serving clinical areas have been returned to operate in set-back mode when they are not is use. These had been running 24/7 as part of our Covid control measures but now operate under normal conditions.
- Completed a review of BMS operating controls to refine operational schedules based around building occupancy and clinical activity.
- Included PIR control and occupation sensors within the new Head Office Mechanical & Electrical specification, to provide more accurate operation of both ventilation and lighting rather than the traditional on/off scenario.
- Reviewed and altered low temperature hot water systems to reduce heating demand and improve system efficiency.
- Replaced traditional chemical dosing with electrolytic dosing system at one of our Hospital sites, with the intention being to replicate across other sites within a rolling 3 year plan.

Finally, we are in the process of assessing the costs and benefits of installing solar PV at one of the Treatment Centres.

Emissions and energy consumption

Streamlined Energy and Carbon Reporting ("SECR") Methodology
Energy Consumption and Emissions: In the prior year, this was collected from the energy bills from the supplier with the exception of two Hospitals where we pay for the energy via the service charge. The service charge costs were converted to kWh using the average cost per kWh for each of the utilities we buy directly from a supplier. The emissions were calculated from the kWh using the conversion factors published by on the government's SECR website. In the current year, we have started to receive actual energy usage from one of these two sites and have also started to make an estimation of consumption at leased sites for which we do not pay for energy. These have resulted in the restatement of the prior year figures.

Transport Emissions: The business travel mileage was collected from the expenses claim system. The emissions were calculated from the miles using the conversion factors published by on the government's SECR website.

Summary of greenhouse gas emissions and energy consumption for the year ended 30 September 2024:

Name	**Metric**	**2024**	**(Restated) 2023**
Energy consumption used to calculate emissions	kWH	23,083,542	23,328,567
Emissions from combustion of gas	tCO2e	2,203	2,184
Emissions from combustion of fuel for transport purposes	tCO2e	325	318
Emissions from business travel	tCO2e	588	542
Emissions from purchased electricity	tCO2e	2,277	2,350
Total gross emissions	tCO2e	5,393	5,394

Directors' Report for the Year Ended 30 September 2024 (continued)

Intensity ratio

Hospital emissions per £1000 of revenue

We have found that 90% of our emissions are from gas and electricity, and 95% of these emissions come from the nine Hospitals and Surgical centres ("Hospitals"). Therefore, we decided that the most representative intensity factor for the business as a whole would be one that normalised the emissions from the Hospitals. We also decided that the most representative measure of their output is the sum of their revenue. Consequently, the intensity metric we chose for the Practice Plus Group is "Hospital emissions per £1,000 of annualised Hospital revenue" This covers 85% of our emissions and provides a good indication of our progress towards a greener business. During the year ended 30 September 2024 this was 18.1% (2023 – 19.9%).

Employment of disabled persons

The Group is an equal opportunities employer and we welcome applications from every sector of the community. It is our policy that people with disabilities should have full and fair consideration for all vacancies, and where necessary we will make reasonable adjustments to ensure that this happens. During the year, the Group continued to demonstrate its commitment to interviewing those people with disabilities who fulfil the minimum criteria, and endeavouring to retain employees in the workforce if they become disabled during employment.

We depend on the skills and commitment of our employees to maintain a successful and vibrant organisation. Our training meets not only statutory and mandatory standards, but we also ensure that we cover our customer service objectives and our values programme fulfilling lives.

Employee involvement

The Group's selection, training, development and promotion policies ensure equal opportunities for all employees regardless of factors such as gender, marital status, race, age, sexual preference and orientation or ethnic origin. All decisions are based on merit and we believe that to be truly successful we must reflect the diversity of the communities that we serve. Internal communications are designed to ensure that employees are well informed about the business of the Group, and we undertake an annual employee survey to understand the opinions of all our people. The Group has an Equality, Diversity and Inclusion steering group to ensure appropriate divisional wide promotion and initiatives are undertaken in relation to Equality, Diversity and Inclusion from both a service delivery and workforce perspective, and also ensure compliance with appropriate legislative and governance frameworks.

Anti-corruption and anti-bribery matters

It is our policy to conduct all of our business in an honest and ethical way. We take a zero tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

Respect for human rights

We respect human rights and we have a zero tolerance approach to modern slavery. We are committed to acting ethically and with integrity in all our business dealings and relationships. We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains.

Company employees

The Group is an equal opportunities employer and we welcome applications from every sector of the community. It is our policy that people with disabilities should have full and fair consideration for all vacancies, and where necessary we will make reasonable adjustments to ensure that this happens. During the year, the Group continued to demonstrate commitment to interviewing those people with disabilities who fulfil the minimum criteria, and endeavouring to retain employees in the workforce if they become disabled during employment. We depend on the skills and commitment of our employees to maintain a successful and vibrant organisation. Our training meets not only statutory and mandatory standards, but we also ensure that we cover our customer service objectives and our values programme fulfilling lives.

The Group's selection, training, development and promotion policies ensure equal opportunities for all employees regardless of factors such as gender, marital status, race, age, sexual preference and orientation or ethnic origin.

Directors' Report for the Year Ended 30 September 2024 (continued)

All decisions are based on merit and we believe that to be truly successful we must reflect the diversity of the communities that we serve. Internal communications are designed to ensure that employees are well informed about the business of the Company, and we undertake an annual employee survey to understand the opinions of all our people.

It is Group policy to give fair consideration to the employment needs of disabled people to comply with current legislation with regard to disabled persons and, wherever practicable, to continue to employ and promote the careers of existing employees, who become disabled and to consider disabled persons for employment, subsequent training, career development and promotion on the basis of their aptitude and abilities.

Social and community issues

Key social and community issues for us include enabling more disadvantaged members to have access to our expertise and to our services, as well as considering how we can have a positive impact on our local social and business community. The ways in which we can achieve this include the following:

Participating in the Department of Health's initiative to establish primary and other care services in under-doctored areas e.g. the Equitable Access scheme and urban walk in centres.
Employee participation in local community help schemes
Employee participation in national charity fundraising events
Matched Funding - Working in The Community' scheme, whereby hundreds of employees take part in fundraising for their favourite charities.
Give as You Earn payroll charity donations.
Annual fund raising events in our main offices (e.g. the BBC 'Children in Need' appeal).

Future developments

The Group continues to grow its presence in the elective surgery sector, along with its CATs & Diagnostic services. The main focus of this growth remains contracts with the NHS and ICBs but other opportunities are also assessed if they align with our current strengths such as a new hospital or can be delivered using existing staff and infrastructure. Private pay arrangements continue to be an area of focus with continuing investment in marketing and a new private pay brand. There is also a strong focus on retaining existing contracts when they come up for renewal as long as pricing envelopes remain appropriate

Going concern

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate for the following reasons:

• At 30 September 2024, the Group has significant levels of liquidity with a strong cash position of £34.7m and access to a further £15.0m of Revolving Credit Facilities and a £5.0m overdraft, both of which are fully undrawn.

• Budgeted cash flows show that the Group would be able to continue to trade for at least 12 months from the date of approval of these financial statements.

• In considering the Group's ability to continue as a going concern, the Directors have prepared a range of detailed cash flow forecasts for the Group for the period of 12 months from the date of approval of these financial statements, using a range of scenarios including the most severe but plausible downside scenario. This scenario models both high agency costs, and lower private pay revenue, but assumes no contracts gains or losses. Even under this scenario, the Group has sufficient resources and liquidity to be able to continue to trade for at least 12 months from the date of signing of these financial statements.

Directors' Report for the Year Ended 30 September 2024 (continued)

Directors' liabilities

There were qualifying third-party indemnity provisions in place for the benefit of all Directors of the Group during the financial period and as at the date of approval of these financial statements.

Disclosure of information to the Auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the Auditor is unaware.

Reappointment of auditors

The auditors KPMG LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 14 January 2025 and signed on its behalf by:

....
Colman Moher
Director

Ground Floor,
1330 Arlington Business Park,
Theale,
Reading,
England,
RG7 4SA

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors’ Report and the Financial Statements

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

Company law requires the Directors to prepare Group and Parent Company Financial Statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 Group and Parent Company and of the Group’s profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its Financial Statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of the Financial Statements that are free from material misstatement whether due to fraud or error and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Practice Plus Group Topco Limited

Opinion

We have audited the financial statements of Practice Plus Group Topco Limited ('the Company') for the year ended 30 September 2024, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 30 September 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Independent Auditor's Report to the Members of Practice Plus Group Topco Limited (continued)

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period. The risks that the Directors considered most likely to adversely affect the Group's and Company's available financial resources and/or metrics relevant to debt covenants over this period were:

- The risk of self-pay revenue failing to materialise; and
- Increase in agency staff costs.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible adverse effects that could arise from these risks individually and collectively. Our procedures also included:

- Critically assessing assumptions in base case and downside scenarios relevant to liquidity and/or covenant metrics, in particular in relation to revenue growth assumptions to historical trends in severe economic situations and overlaying knowledge of the entity' plans based on approved budgets and our knowledge of the entity and the health sector in which it operates.
- We also compared past budgets to actual results to assess the directors' track record of budgeting accurately.
- We inspected the confirmation from the lender of the level of committed financing, undrawn financing, and the associated covenant requirements.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations - ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, legal officer and inspection of key papers provided to those charged with governance as to the high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing" and process for engaging management to identify fraud risks specific to their business units, as well as whether they have knowledge of any actual, suspected, or alleged fraud;
- Using analytical procedures to identify any unusual or unexpected relationships;
- Reading Board minutes; and
- Obtaining a copy of the Group's fraud register.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Independent Auditor's Report to the Members of Practice Plus Group Topco Limited (continued)

As required by auditing standards, and taking into account our overall knowledge of the control environment and the changes to the financial regime from the NHS, we perform procedures to address the risks of management override of controls and the risk of fraudulent revenue recognition, in particular the risk of incentive for revenue to be manipulated into the wrong period around the year end.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying and testing journal entries based on risk criteria and comparing the identified entries supporting documentation. These included those posted to unusual or unexpected account combinations with revenue, cash and borrowings;
- Sample testing invoices relating to the period prior to 30 September 2024 to determine whether income is recognised in the correct accounting period; and
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Directors and other members of management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the Directors and other members of management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), pensions legislation, distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statements items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: GDPR, health and safety, employment law, anti-bribery and money laundering and Care Quality Commission regulations recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent Auditor's Report to the Members of Practice Plus Group Topco Limited (continued)

Strategic Report and Directors' Report
The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities
As explained more fully in their statement set out on page 21, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent 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 they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Members of Practice Plus Group Topco Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.

Rob Andrews
....
Rob Andrews (Senior Statutory Auditor)
For and on behalf of KPMG LLP, **Statutory Auditor**
Chartered Accountants
66 Queen Square,
Bristol,
BS1 4BE

15 January 2025

Consolidated Income Statement for the Year Ended 30 September 2024

	Note	2024 £ 000	2023 £ 000
Revenue	4	599,272	534,649
Cost of sales		(429,389)	(382,809)
Gross profit		169,883	151,840
Administrative expenses		(147,296)	(132,575)
Operating profit	6	22,587	19,265
Finance income		197	1,789
Finance costs		(15,361)	(13,808)
Net finance cost	7	(15,164)	(12,019)
Profit before tax		7,423	7,246
Income tax expense	11	(2,444)	(1,561)
Profit for the year		4,979	5,685

The above results were derived from continuing operations.

Consolidated Statement of Comprehensive Income as at 30 September 2024

	2024 £ 000	2023 £ 000
Profit for the year	4,979	5,685
Items that will not be reclassified subsequently to profit or loss		
Actuarial (loss)/gain on defined benefit pension scheme before tax	(435)	177
Income tax effect	(21)	(58)
	(456)	119
Total comprehensive income for the year	4,523	5,804
Total comprehensive income attributable to:		
Owners of the company	4,523	5,804

Consolidated Statement of Financial Position as at 30 September 2024

	Note	30 September 2024 £ 000	30 September 2023 £ 000
Non-current assets			
Intangible assets	12	205,726	212,916
Property, plant and equipment	13	35,894	25,222
Right of use assets	14	52,126	45,035
Other non-current financial assets	16	2,013	3,204
		295,759	286,377
Current assets			
Inventories	17	1,583	1,253
Trade and other receivables	18	39,347	41,091
Cash and cash equivalents	19	34,693	19,775
		75,623	62,119
Total assets		371,382	348,496
Current liabilities			
Current portion of long-term lease liabilities	25	(6,958)	(8,441)
Trade and other payables	20	(99,880)	(97,247)
Loans and borrowings	21	-	(271)
Provisions	22	(4,530)	(3,493)
		(111,368)	(109,452)
Non-current liabilities			
Long-term lease liabilities	25	(55,372)	(38,993)
Loans and borrowings	21	(134,934)	(100,533)
Retirement benefit obligations	23	-	(84)
Provisions	22	(3,925)	(5,067)
Deferred tax liabilities	11	(16,734)	(16,138)
		(210,965)	(160,815)
Total liabilities		(322,333)	(270,267)
Net assets		49,049	78,229

Consolidated Statement of Financial Position as at 30 September 2024 (continued)

	Note	30 September 2024 £ 000	30 September 2023 £ 000
Equity			
Share capital	24	110,754	110,725
Share premium		870	927
Other reserves		463	463
Retained earnings		(63,038)	(33,886)
Equity attributable to owners of the Company		49,049	78,229

Approved by the Board on 14 January 2025 and signed on its behalf by:

....
Colman Moher
Director

Company Statement of Financial Position as at 30 September 2024

	Note	30 September 2024 £ 000	30 September 2023 £ 000
Non-current assets			
Investments in subsidiaries	15	115,600	115,600
Current assets			
Trade and other receivables	18	1,027	1,071
Cash and cash equivalents	19	54	434
Total assets		116,681	117,105
Current liabilities			
Trade and other payables	20	(23)	(444)
Net assets		116,658	116,661
Equity			
Share capital	24	110,764	110,764
Share premium	24	927	927
Other reserves		463	463
Retained earnings		4,504	4,507
Equity attributable to owners of the company		116,658	116,661

Approved by the Board on 14 January 2025 and signed on its behalf by:

....
Colman Moher
Director

Consolidated Statement of Changes in Equity for the Year Ended 30 September 2024

	Share capital £ 000	Share premium £ 000	Capital reserve £ 000	Retained earnings £ 000	Total equity £ 000
At 1 October 2022	115,761	1,354	-	9,073	126,188
Profit for the year	-	-	-	5,685	5,685
Other comprehensive income	-	-	-	119	119
Total comprehensive income	-	-	-	5,804	5,804
Dividends	-	-	-	(53,297)	(53,297)
Purchase of own capital	(36)	(427)	463	(466)	(466)
Capital reduction	(5,000)	-	-	5,000	-
At 30 September 2023	110,725	927	463	(33,886)	78,229

	Share capital £ 000	Share premium £ 000	Capital reserve £ 000	Retained earnings £ 000	Total equity £ 000
At 1 October 2023	110,725	927	463	(33,886)	78,229
Profit for the year	-	-	-	4,979	4,979
Other comprehensive income	-	-	-	(456)	(456)
Total comprehensive income	-	-	-	4,523	4,523
Dividends	-	-	-	(34,125)	(34,125)
Share transactions with EBT	29	(57)		450	422
At 30 September 2024	110,754	870	463	(63,038)	49,049

Company Statement of Changes in Equity for the Year Ended 30 September 2024

	Share capital £ 000	Share premium £ 000	Capital reserve £ 000	Retained earnings £ 000	Total equity £ 000
At 1 October 2022	115,800	1,354	-	71	117,225
Profit for the year	-	-	-	53,199	53,199
Total comprehensive income	-	-	-	53,199	53,199
Dividends	-	-	-	(53,297)	(53,297)
Purchase of own capital	(36)	(427)	463	(466)	(466)
Capital reduction	(5,000)	-	-	5,000	-
At 30 September 2023	110,764	927	463	4,507	116,661

	Share capital £ 000	Share premium £ 000	Capital reserve £ 000	Retained earnings £ 000	Total equity £ 000
At 1 October 2023	110,764	927	463	4,507	116,661
Profit for the year	-	-	-	34,122	34,122
Total comprehensive income	-	-	-	34,122	34,122
Dividends	-	-	-	(34,125)	(34,125)
At 30 September 2024	110,764	927	463	4,504	116,658

Consolidated Statement of Cash Flows for the Year Ended 30 September 2024

	Note	2024 £ 000	2023 £ 000
Cash flows from operating activities			
Profit for the year		4,979	5,685
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	12, 13,14	27,918	26,314
Profit on disposal of property plant and equipment	6	(66)	(37)
Finance income	7	(197)	(1,789)
Finance costs	7	15,361	13,808
Income tax expense	11	2,444	1,561
		50,439	45,542
Working capital adjustments			
Increase in inventories	17	(330)	(33)
Decrease/(increase) in trade and other receivables	18	2,582	(14,887)
(Decrease)/increase in trade and other payables	20	(3,277)	11,647
Increase/(decrease) in retirement benefit obligation net of actuarial changes	23	81	(78)
(Decrease)/increase in provisions	22	(621)	259
Cash generated from operations		48,874	42,450
Income taxes paid		(3,150)	(1,370)
Net cash flow from operating activities		45,724	41,080
Cash flows from investing activities			
Interest received		154	1
Acquisitions of property plant and equipment		(14,180)	(10,127)
Acquisition of intangible assets		(1,955)	(2,847)
Proceeds from sale of property, plant and equipment		66	37
Proceeds from purchase of Edgbaston		8,000	-
Net cash flows from investing activities		(7,915)	(12,936)

Consolidated Statement of Cash Flows for the Year Ended 30 September 2024 (continued)

	Note	2024 £ 000	2023 £ 000
Cash flows from financing activities			
Interest paid		(12,153)	(13,387)
Proceeds from debt issue net of issue costs		34,125	95,655
Proceeds from RCF		-	10,000
Repayment of other borrowing		-	(60,000)
Repayment of RCF		-	(10,000)
Dividends paid		(34,125)	(53,297)
Repayment of lease liability		(11,043)	(9,439)
Pension deficit repair		(591)	-
Proceeds from interest rate cap		896	-
Net cash flows from financing activities		(22,891)	(40,468)
Net increase/ (decrease) in cash and cash equivalents	19	14,918	(12,324)
Cash and cash equivalents at 1 October		19,775	32,099
Cash and cash equivalents at 30 September		34,693	19,775

Notes to the Financial Statements for the Year Ended 30 September 2024

1. General information

The Company is a private company limited by share capital, incorporated, domiciled and registered in England in the United Kingdom.

The address of its registered office is:
Ground Floor,
1330 Arlington Business Park,
Theale,
Reading,
England,
RG7 4SA.

These financial statements were authorised for issue by the Board on 14 January 2025.

2. Accounting policies

Statement of compliance

The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards ("UK-adopted IFRS"). The Company has elected to prepare its parent company financial statements in accordance with FRS 101.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These Financial Statements have been prepared and approved by the Directors in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs").

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The functional currency of the Group is GB pounds sterling and this is also the presentational currency of these Financial Statements.

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate for the following reasons:

• At 30 September 2024, the Group has significant levels of liquidity with a strong cash position of £34.7m and access to a further £15.0m of Revolving Credit Facilities and a £5.0m overdraft, both of which are fully undrawn.

• Budgeted cash flows show that the Group would be able to continue to trade for at least 12 months from the date of approval of these financial statements.

• In considering the Group's ability to continue as a going concern, the Directors have prepared a range of detailed cash flow forecasts for the Group for the period of 12 months from the date of approval of these financial statements, using a range of scenarios including the most severe but plausible downside scenario. This scenario models both high agency costs, and lower private pay revenue, but assumes no contracts gains or losses. Even under this scenario, the Group has sufficient resources and liquidity to be able to continue to trade for at least 12 months from the date of signing of these financial statements.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings to 30 September 2024.

No income statement is presented for the Company as permitted by section 408 of the Companies Act 2006. The Company made a profit after tax for the financial year of £34,122k (2023 - profit of £53,199k).

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in accounting policy

New standards, interpretations and amendments effective

The following have been applied for the first time from 1 October 2023 and have had no effect on the financial statements:

Amendments to IAS8; Definition of accounting estimates

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2 Making Materiality

Amendments to IAS 12 International tax reform Pillar Two model rules

Amendments to IAS 12 Deferred Tax related to assets and liabilities arising from a single transactions

Amendments to IFRS 17 : Initial Application of IFRS 17 and IFRS 9—Comparative Information

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

The following Adopted IFRSs have been issued but have not been applied by the Group in these consolidated financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

Adopted but not yet effective:

Amendments to IAS1: Disclosure of accounting policies

Amendments to IAS 21 Lack of Exchangeability

Amendments to IFRS16 Leases: Sale and Leaseback

Amendments to IAS 1 Presentation of Financial Statements

Amendments to IAS 7 Supplier Finance Arrangements

Revenue recognition

Recognition

The Group provides a number of services relating to Healthcare which includes provision of surgical procedures at our Hospital and Surgical Centres, provision of healthcare within prisons, GP practices, Out-of-Hours medical assistance and 111 call centre services. The revenue recognition policy is to recognise revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

The principles in IFRS are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Fee arrangements

Below are details of fee arrangements and how these are measured and recognised, for revenue from the provision of services:

- For fixed fee arrangements from services revenue is recognised based on the stage of completion and performance obligations met for actual services provided. For single services delivered at a point in time, revenue is recognised when the service is provided, such as a hip replacement procedure. For services which are provided over a period of time such as three year contracts to provide health services in a prison, revenue is recognised on a straight line basis over the period of the contract.

The main performance obligations in contracts consist of either a distinct service that the entity has promised to deliver, or a series of distinct services. Whether services are distinct is determined based on whether the customer can benefit from the service on its own and whether the promise to transfer the benefit is separately identifiable from the other promises in a contract. Performance obligations satisfied at a point in time are measured upon delivery of the service.

Transaction price

The transaction price needs to consider variable consideration, whether there is a financing component, whether the proceeds are considered to be recoverable and whether there is any non-cash consideration or consideration payable to a customer.

Variable consideration is estimated using either expected value based on a range of possible outcomes, or the most likely amount based on two possible outcomes. Variable consideration is subject to the revenue constraint i.e. variable consideration is only recognised to the extent that it is highly probable that it will not reverse, when experience and external factors are taken into account.

The transaction price is allocated to performance obligations based on either an observable price or an estimated price which is based on either an adjusted market assessment approach, expected cost plus a margin or residual approach.

Principal versus agent

The Group has arrangements whereby it needs to determine if it acts as a principal or an agent as more than one party is involved in providing the goods and services to the customer. The Group acts as a principal if it controls a promised good or service before transferring that good or service to the customer. The Group is an agent if its role is to arrange for another entity to provide the goods or services. Factors considered in making this assessment are most notably the discretion the Group has in establishing the price for the specified good or service and whether the Group is primarily responsible for fulfilling the promise to deliver the service or good.

This assessment of control requires judgement in particular in relation to certain service contracts. An example, is the provision of prison health care services where the group may be assessed to be agent or principal dependent upon the facts and circumstances of the arrangement and the nature of the services being delivered.

Where the Group is acting as a principal, revenue is recorded on a gross basis. Where the Group is acting as an agent revenue is recorded at a net amount reflecting the margin earned.

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Contract modifications

Contracts are often amended for changes in contract specifications and requirements. Contract modification exists when the amendment either creates new or changes the existing enforceable rights and obligations. The effect of a contract modification on the transaction price and the measure of progress for the performance obligation to which it relates, is recognised as an adjustment to revenue in one of the following ways:

a. Prospectively as an additional separate contract:
b. Prospectively as a termination of the existing contract and creation of a new contract;
c. As part of the original contract using a cumulative catch up; or
d. As a combination of b) and c).

The facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract by contract and may result in different accounting outcomes. Judgement is applied in relation to the accounting for such modifications where the final terms or legal contracts have not been agreed prior to the period end as management need to determine if a modification has been approved and if it either creates new or changes existing enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognised may be different in the relevant accounting periods. Modification and amendments to contracts are undertaken via an agreed formal process. For example, if a change in scope has been approved but the corresponding change in price is still being negotiated, management use their judgement to estimate the change to the total transaction price.

Contract assets and receivables

Where services are transferred to the customer before the customer pays consideration, or before payment is due, accrued income is recognised. Accrued income is included in the statement of financial position and represents the right to consideration for products delivered.

Accrued income & trade receivables (loans and advances) are classified as current or non-current based on the Group’s normal operating cycle and are assessed for impairment at each reporting date.

Contract liabilities

Deferred income and customer deposits are recognised in the statement of financial position when the consideration has been received but there is an ongoing obligation to deliver products and meet performance obligations for that consideration.

Net basis of measurement of contract balances

Accrued income and deferred income are determined for each contract on a net basis. This is because the rights and obligations within each contract are considered inter-dependent. Where two contracts are with the same or related entities, an assessment is made of whether contract assets and liabilities are inter-dependent and if so, contract balances are reported net.

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Capitalisation of costs to obtain or fulfil a contract

The incremental costs of obtaining and fulfilling a contract with a customer are recognised as an asset if they are expected to be recovered. These include costs of obtaining a contract such as bid success fees and legal fees to draft the contract, as well as costs to fulfill a contract, known as mobilisation costs such as costs of setting up governance framework, implementation workstreams and IT support. Judgement is applied when determining what costs qualify to be capitalised in particular when considering whether these costs are incremental and whether these are expected to be recoverable. Costs are only capitalised after a contract has been successfully procured, prior to the commencement of the contract.

Costs to obtain and to fulfil a contract are included in the statement of financial position as a separate class of assets within intangible assets.

These assets are subsequently charged to the income statement over the expected contract period. The amortisation charge is included in the income statement in cost of sales.

Impairment of contract related balances

At each reporting date, it is determined whether or not such assets are impaired by comparing the carrying amount of the asset to the remaining amount of consideration that is expected to be received less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the same principles are used as those used in determining the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant contracts or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific KPIs that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Finance income and costs policy

Financing expenses include interest payable, finance charges on lease liabilities recognised in profit or loss using the effective interest method and unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Financing income comprise interest receivable on funds invested, dividend income, interest income on lease receivables and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Assets under construction	No depreciation charged until asset is ready for use
Buildings	In line with the lease on the property
IT equipment	Straight line: 33% on cost
Furniture, Fixtures & Fittings	Straight line: 3 to 5 years

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. The cost of acquisition is expensed as incurred.

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is not subject to amortisation but is tested for impairment.

Negative goodwill arising on an acquisition is recognised directly in the income statement. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the income statement on disposal.

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	**Amortisation method and rate**
Intangible assets relating to contracts ("Other intangible assets")	Straight line: Between 3-12 years which includes assumption on renewal of underlying contract
Costs incurred in fulfilling contract	Straight line over contract term - generally 3 years
Software	3 years

Investments

Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Provisions

Provisions are recognised when a present obligation exists (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Leases

Definition

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the entity has the right to:

· Obtain substantially all the economic benefits from the use of the underlying asset, and;
· Direct the use of the underlying asset (e.g. direct how and for what purpose the asset is used)

Initial recognition and measurement

The entity initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the entity's initial direct costs of entering into the lease, and an estimate of restoration, removal and dismantling costs.

Subsequent measurement

After the commencement date, the lease liability is measured by:

(a) Increasing the carrying amount to reflect interest on the lease liability;
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included within finance costs in the Income Statement. Variable lease payments not included in the measurement of the lease liability are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of Assets as disclosed in the accounting policy in impairment.

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:
(a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
(b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The entity then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

Short term and low value leases

The Group has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for either leases with a lease term of less than 12 months (i.e., short-term leases); or relating to low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year when the annual budget is prepared.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Defined contribution pension obligation

A defined contribution plan is a post-employment benefit plan under which an entity 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 income statement in the periods during which services are rendered by employees.

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Defined benefit pension obligation

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The entity determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the entity's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan asset (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The entity recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs. The entity then calculates the current service cost for the remainder of the reporting period, post the amendment or curtailment, using the same actuarial assumptions as those used to remeasure the net defined benefit liability/(asset).

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the entity, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on a settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement, ignoring the effect of the asset ceiling that is reversed separately through OCI.

Non - GAAP performance measures

The Board believe that the measure EBITDA provides additional useful information for the shareholders and other stakeholders on the underlying performance of the business. These measures are consistent with how the business is monitored internally. The EBITDA is not a recognised profit measure under adopted IFRS and may not be directly comparable with profit measures used by other companies.

EBITDA is defined as operating profit before net financing expenses adjusted to exclude finance income/costs, depreciation of tangible assets, amortisation of intangible assets, impairment charges and non-recurring items.

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding property, plant and equipment, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The Group recognises financial assets and financial liabilities in the statement of financial position when, and only when, the Group becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:-
· financial assets at amortised cost;
· financial assets at fair value through other comprehensive income (FVTOCI); or
· financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-
· financial liabilities at amortised cost; or
· financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the Group’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:-
· the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
· the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).

If a financial asset meets the amortised cost criteria, the Group may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

The Group does not have any instruments which are not carried at amortised cost.

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Derecognition

Financial assets

The entity derecognises a financial asset when;
- the contractual rights to the cash flows from the financial asset expire,
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as FVTOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

When the group derecognises transferred financial assets in their entirety, but has continuing involvement in them then the entity should disclose for each type of continuing involvement at the reporting date:

(a) The carrying amount of the assets and liabilities that are recognised in the entity’s statement of financial position and represent the entity’s continuing involvement in the derecognised financial assets, and the line items in which those assets and liabilities are recognised.

(b) The fair value of the assets and liabilities that represent the entity’s continuing involvement in the derecognised financial assets;

(c) The amount that best represents the entity’s maximum exposure to loss from its continuing involvement in the derecognised financial assets, and how the maximum exposure to loss is determined

(d) The undiscounted cash outflows that would or may be required to repurchase the derecognised financial assets or other amounts payable to the transferee for the transferred assets

Financial liabilities

The entity derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the entity evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to the cash flows from the original financial asset are deemed to expire. In this case the original financial asset is derecognised and a new financial asset is recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of income.

Financial liabilities

If the terms of a financial liabilities are modified, the entity evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual obligations from the cash flows from the original financial liabilities are deemed to expire. In this case the original financial liabilities are derecognised and new financial liabilities are recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial liabilities. In this case, the Group recalculates the gross carrying amount of the financial liabilities and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of income

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

Impairment of financial assets

Measurement of Expected Credit Losses

The entity recognises loss allowances for expected credit losses (ECL) on financial instruments that are not measured at FVTPL, namely:

- Financial assets that are debt instruments
- Accounts and other receivables

The Group measures loss allowances at an amount equal to the lifetime ECL.

Provisions for credit-impairment are recognised in the statement of income and are reflected in accumulated provision balances against each relevant financial instruments balance.

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables and accrued income have been grouped based on shared credit risk characteristics and the days past due. Accrued income relate to unbilled work in progress and has substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Evidence that the financial asset is credit-impaired include the following;

- Significant financial difficulties of the borrower or issuer;
- A breach of contract such as default or past due event;
- The restructuring of the loan or advance by the group on terms that the group would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the security because of financial difficulties; or
- There is other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

Notes to the Financial Statements for the Year Ended 30 September 2024

2 Accounting policies (continued)

For trade receivables, the group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 30 September 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Notes to the Financial Statements for the Year Ended 30 September 2024

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expenses during the period then ended. Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

Management regularly discusses with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. Significant accounting judgements in applying the Group's accounting policies have been applied by the Group in order to prepare the consolidated financial statements with respect to the value of tangible assets, intangible assets including goodwill and provisions, and are described below.

Provisions
The Group recognises provisions in instances where there is a probable outflow of cash relating to a past event but the quantum and timing are uncertain. The calculation of the provision requires an estimate of the future cash flows expected to arise and a suitable risk-adjusted discount rate in order to calculate present value.

The Group has recognised provisions for the cost of dilapidations on leasehold properties based on estimates of the likely cash out flow at the end of the lease, discounted using an appropriate discount rate.

Impairment of non-financial assets
The Group assesses the recoverable amount of tangible assets, intangible assets and investments where there are indications that the assets could be impaired. Indicators of impairment include factors internal and external to the organisation that suggest the asset's value may have declined. Where indicators suggest that the value of the asset may have declined, the Group estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs. Recoverable amount is the higher of fair value less costs of disposal and value in use. The value in use calculation requires an estimate of the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

Intangible assets
The Group uses forecast cash flow information and estimates of future growth to initially value other intangible assets recognised as part of business combinations, to assess whether goodwill and other intangible assets are impaired, and to determine the useful economic lives of its intangible assets. If the results of operations in a future period are adverse to the estimates used for impairment testing, an impairment charge may be triggered at that point, or a reduction in useful economic life may be required.

Notes to the Financial Statements for the Year Ended 30 September 2024

4. Revenue

The analysis of the Group's revenue for the year from continuing operations is as follows:

Group	**2024 £ 000**	**2023 £ 000**
Rendering of services	599,272	534,649

The Group considers its business activities fall into the following operating segments:

Secondary Care - The provision of elective surgery procedures to both the public and private sector.

Health in Justice - The provision of forensic and general healthcare services to offenders, victims of crime and those within the judicial system

Integrated Urgent Care - The provision of primary healthcare services, including out of hours contracts, integrated urgent care contracts and 111 call centres.

Disaggregated revenue information for each segment is provided below

	Group	
	30 September 2024 £ 000	**30 September 2023 £ 000**
Secondary Care	229,367	211,001
Health in Justice	247,528	205,463
Integrated Urgent Care	123,882	118,535
Intra-segment eliminations	(1,505)	(350)
	599,272	534,649

The table below shows revenue split between activity based, and block contract.

	Group	
	30 September 2024 £ 000	**30 September 2023 £ 000**
Activity	278,010	259,275
Block	321,262	275,374
	599,272	534,649

Accrued income arises where goods or services are transferred to the customer before the customer pays consideration, or before payment is due. Trade receivables (loans and advances) represent our unconditional right to consideration for the goods or services supplied and performance obligations delivered. Deferred liabilities (deposits from customers) relate to consideration received when we still have an obligation to deliver goods or services for that consideration.

Notes to the Financial Statements for the Year Ended 30 September 2024

4. Revenue (continued)

Current assets and liabilities

	30 September 2024 £ 000	30 September 2023 £ 000
Accrued income	18,459	16,851
Deferred income	(9,216)	(9,431)
Trade receivables	8,345	10,731
Net contract assets	17,588	18,151

Reconciliation of movement in accrued income

	Year ending 30 September 2024 £ 000	Year ended 30 September 2023 £ 000
Accrued income opening	16,851	10,605
Work performed	14,867	16,190
Billed	(13,259)	(9,944)
At 30 September	18,459	16,851

Reconciliation of movement in deferred income

	Year ending 30 September 2024 £ 000	Year ending 30 September 2023 £ 000
Deferred income opening	(9,431)	(11,634)
Recognised in income statement	4,703	8,974
Cash received from customer	(4,488)	(6,771)
At 30 September	(9,216)	(9,431)

Breakdown of contracted revenue

	30 September 2024 £ 000	30 September 2023 £ 000
Contracted revenue < 1yr	323,118	292,471
Contracted revenue 2-5 years	740,960	752,683
Contracted revenue > 5 years	42,712	107,483
	1,106,790	1,152,637

Notes to the Financial Statements for the Year Ended 30 September 2024

5. Non-recurring items

The analysis of the Group's non-recurring items for the year is below. The Group excludes these items from its calculation of EBITDA.

Group	2024 £ 000	2023 £ 000
Long term incentive plan	(637)	(4,029)
Mobilisation of new hospital	(2,773)	-
Legal dispute	(18)	2,299
Release of onerous lease provision	36	-
Costs associated with restructure	23	(730)
Dilapidation review	300	35
Strategic projects	(422)	(249)
Other non-recurring costs	(580)	-
	(4,071)	(2,674)

Long term incentive plan
The Group has incurred costs of £637k relating to incentive plans for Senior management (2023: £4,029k). This plan settled during the current financial year.

Mobilisation of new hospital
The Group has entered into a lease for a new hospital in Birmingham. As part of mobilising the new site, costs have been incurred such as recruitment, staff and rent ahead of the site being ready to receive patients. These costs have been considered as non-recurring and will continue to be until the site is able to operate at full capacity. Costs during the current year were £2,773k (2023: £nil).

Legal dispute
The Group has incurred a net £18k of final costs relating to a legal challenge relating to re-procurement of a contract (2023: £2,299k net income).

Costs associated with restructure
The Group has released £23k of provision which was set aside for restructuring (2023: £730k of costs recognised).

Dilapidation review
The Group undertook a review of dilapidations which led to a release of £300k in the current year (2023: £35k release.)

Strategic projects
The Group incurred £422k relating to projects during the year (2023: £249k).

Other non -recurring items
The Group has incurred £580k of other non-recurring costs which related to external adviser costs. (2023: nil)

Notes to the Financial Statements for the Year Ended 30 September 2024

6. Operating profit

Arrived at after (charging)/crediting

Group	2024 £ 000	2023 £ 000
Depreciation expense	(8,635)	(7,813)
Depreciation on right of use assets - Vehicles	(454)	(298)
Depreciation on right of use assets - property	(7,781)	(7,685)
Depreciation on right of use assets - other	(5)	(1)
Amortisation expense	(11,043)	(10,517)
Profit on disposal of property, plant and equipment	66	37
Cost of inventory recognised as an expense	(46,363)	(38,961)

7. Finance income and costs

Group	2024 £ 000	2023 £ 000
Finance income		
Fair value of interest rate cap	-	1,760
Bank interest	154	-
Other finance income	43	29
Total finance income	197	1,789
Finance costs		
Interest on Revolving Credit Facility	(318)	(411)
Interest expense on other financing liabilities	(11,838)	(9,158)
Payment to purchase interest rate cap	-	(1,304)
Reversal of fair value gain on interest rate cap	(329)	-
Amortisation of debt issue costs	-	(482)
Other finance costs	(270)	(194)
Interest expense on leases	(2,606)	(2,106)
Interest payable to parent companies	-	(153)
Total finance costs	(15,361)	(13,808)
Net finance costs	(15,164)	(12,019)

Notes to the Financial Statements for the Year Ended 30 September 2024

8. Staff numbers and costs

The aggregate payroll costs (including Directors' remuneration) were as follows:

Group	2024 £ 000	2023 £ 000
Wages and salaries	238,882	205,166
Social security costs	24,864	20,747
Pension costs	8,208	6,149
Redundancy costs	395	827
	272,349	232,889

The average number of persons employed by the Group (including Directors) during the year, analysed by category was as follows:

	2024 No.	2023 No.
Administration and support	2,028	1,829
Medical professionals and support staff	6,030	5,438
	8,058	7,267

9. Directors' remuneration

The Directors' remuneration for the year was as follows:

	2024 £ 000	2023 £ 000
Remuneration	1,700	1,326
Money paid to pension scheme	29	26
Benefits accruing under long term incentive plan	128	1,619
	1,857	2,971

During the year the number of Directors who were receiving benefits and share incentives was as follows:

	2024 No.	2023 No.
Accruing benefits under money purchase pension scheme	1	1

In respect of the highest paid Director:

	2024 £ 000	2023 £ 000
Remuneration	625	591
Benefits under long-term incentive schemes (excluding shares)	-	1,147
	625	1,738

Notes to the Financial Statements for the Year Ended 30 September 2024

10. Auditors' remuneration

	2024 £ 000	2023 £ 000
Amount payable in respect of the audit of the Group and its subsidiaries	334	308
Other fees to auditors		
All other assurance services	5	5
Total fees paid to auditor	339	313

The amounts payable to the auditor relating to the audit of the Company was £3,034 (2023; £2,797)

11. Income tax

Tax charged/(credited) in the income statement

Group	2024 £ 000	2023 £ 000
Current taxation		
Corporation tax relating to the current year	1,714	2,624
UK corporation tax adjustment to prior periods	155	697
	1,869	3,321
Deferred taxation		
Deferred tax relating to the current year	713	(1,073)
Deferred tax change arising from rate change	-	237
Deferred tax arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(138)	(924)
Total deferred taxation	575	(1,760)
Tax expense in the income statement	2,444	1,561

Notes to the Financial Statements for the Year Ended 30 September 2024

11 Income tax (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2023 - lower than the standard rate of corporation tax in the UK) of 25% (2023 - 22%).

The differences are reconciled below:

Group	2024 £ 000	2023 £ 000
Profit before tax	7,423	7,246
Corporation tax at standard rate of 25% (2023: 22%)	1,856	1,594
Decrease from effect of revenues exempt from taxation	(5)	(44)
Increase from effect of expenses not deductible in determining taxable profit	589	266
Deferred tax expense relating to changes in tax rates	-	111
Deferred tax credit from unrecognised tax loss or credit	(13)	(13)
Decrease from effect of capital allowances depreciation	-	(126)
Increase in current tax from adjustment for prior periods	155	697
Deferred tax credit from unrecognised temporary differences from a prior period.	(138)	(924)
Total tax charge	2,444	1,561

The standard rate of corporation tax in the UK increased from 19% to 25% on 1 April 2023. Current tax liabilities have been calculated using the 25% rate throughout the accounting period. The deferred tax assets and liabilities at 30 September 2024 have been calculated using the closing tax rate of 25%.

Amounts recognised in other comprehensive income

	2024			2023		
	Before tax £ 000	Tax (expense) benefit £ 000	Net of tax £ 000	Before tax £ 000	Tax (expense) benefit £ 000	Net of tax £ 000
Remeasurements of post employment benefit obligations	(435)	(21)	(456)	177	(58)	119

Notes to the Financial Statements for the Year Ended 30 September 2024

11 Income tax (continued)

Deferred tax

Group

Deferred tax assets and liabilities

2024	**Asset £ 000**	**Liability £ 000**	**Net deferred tax £ 000**
Accelerated tax depreciation	-	(3,257)	(3,257)
Amortisation	-	(13,879)	(13,879)
Transition adjustments arising from first time adoption	-	(6)	(6)
Other items	408	-	408
	408	(17,142)	(16,734)

2023	**Asset £ 000**	**Liability £ 000**	**Net deferred tax £ 000**
Accelerated tax depreciation	-	(937)	(937)
Amortisation	-	(15,861)	(15,861)
Pension benefit obligations	21	-	21
Transition adjustments arising from first time adoption	-	(143)	(143)
Other items	782	-	782
	803	(16,941)	(16,138)

Deferred tax movement during the current year:

	At 1 October 2023 £ 000	**Recognised in income £ 000**	**Recognised in other comprehensive income £ 000**	**At 30 September 2024 £ 000**
Accelerated tax depreciation	(937)	(2,320)	-	(3,257)
Amortisation	(15,861)	1,982	-	(13,879)
Pension benefit obligations	21	-	(21)	-
Transition adjustments arising from first time adoption of IFRS	(143)	137	-	(6)
Other items	782	(374)	-	408
	(16,138)	(575)	(21)	(16,734)

Notes to the Financial Statements for the Year Ended 30 September 2024

11 Income tax (continued)

Deferred tax movement during the prior year:

	At 1 October 2022 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	At 30 September 2023 £ 000
Accelerated tax depreciation	(768)	(169)	-	(937)
Amortisation	(17,604)	1,743	-	(15,861)
Pension benefit obligations	79	-	(58)	21
Transition adjustments arising from first time adoption of IFRS	71	(214)	-	(143)
Other items	382	400	-	782
	(17,840)	1,760	(58)	(16,138)

There are £28,555 of deductible temporary differences (2023 - £28,555) for which no deferred tax asset is recognised in the statement of financial position.

Notes to the Financial Statements for the Year Ended 30 September 2024

12. Intangible assets

Group

	Goodwill £ 000	Costs incurred in fulfilling contracts £ 000	Software £ 000	Other intangible assets £ 000	Total £ 000
Cost or valuation					
At 1 October 2022	149,770	4,601	2,242	98,389	255,002
Additions	-	2,452	631	-	3,083
Transfers	-	2,149	20	2	2,171
At 30 September 2023	149,770	9,202	2,893	98,391	260,256
Additions	-	1,033	676	-	1,709
Disposals	-	(133)	(49)	-	(182)
Transfers	-	30	2,296	-	2,326
At 30 September 2024	149,770	10,132	5,816	98,391	264,109
Amortisation					
At 1 October 2022	(8,412)	(3,039)	(1,366)	(24,006)	(36,823)
Amortisation charge	-	(1,786)	(400)	(8,331)	(10,517)
At 30 September 2023	(8,412)	(4,825)	(1,766)	(32,337)	(47,340)
Amortisation charge	-	(2,225)	(487)	(8,331)	(11,043)
At 30 September 2024	(8,412)	(7,050)	(2,253)	(40,668)	(58,383)
Carrying amount					
At 30 September 2024	141,358	3,082	3,563	57,723	205,726
At 30 September 2023	141,358	4,377	1,127	66,054	212,916

The Group has allocated goodwill to the following cash generating units:

	2024 £ 000	2023 £ 000
Health in Justice	107,727	107,727
Secondary Care	33,631	33,631
Integrated Urgent Care	-	-
	141,358	141,358

Intangible assets comprise the value attributed to ongoing customer relationships within acquired businesses and are amortised over their estimated useful economic lives, which do not exceed twelve years at inception. The useful economic life is determined by reference to the life of the associated contract.

Management believes that goodwill represents value to the Group for which the recognition of a discrete intangible asset is not permitted.

Notes to the Financial Statements for the Year Ended 30 September 2024

12 Intangible assets (continued)

Impairment testing of intangible assets

The Group has considered the impact of the current economic and market conditions in determining the appropriate discount rate to use in value in use calculations for impairment testing and has applied the following discount rates:

All three cash generating units: 11.8% (2023: 10.5%)

The budget and forecast business plans include assumptions of the level of certain key drivers that are assumed to be met to achieve revenue and EBITDA projections as follows:

- Contract retention rates
- Elective surgery referrals
- Inflation

Whilst management is confident that its assumptions are appropriate in light of circumstances at the time of the review, it is possible that circumstances may change. The recoverable amounts calculated on the above basis significantly exceed the carrying values of the cash generating units that include goodwill to the extent that the assumptions made would need to change by a significant amount to eliminate the surplus. As a sensitivity, if discount rates were to increase by 1.0% then the overall Group value in use would reduce by £36m (2023 £29m). If the growth rate were to increase by 0.5%, then the overall Group value in use would increase by £21m (2023: £12m).

(a) Method of impairment testing
The recoverable amount of goodwill and intangible assets allocated to the cash generating units has been determined based on the higher of fair value less costs of disposal and the calculation of the value in use.

For the purposes of calculating the value in use of cash generating units containing goodwill, cash flow projections based on actual operating results and the budget and forecast business plan for the annual plan period of one year with assumed growth for a further three year period. This growth rate is maintained at a broadly conservative rate of between 2% and 2.6% depending on the sector. A terminal value is placed on the value of the annual cash flows in year five. No adjustment is made for the projected terminal value of the net assets of the individual cash-generating units. Cash flows associated with post acquisition investment are included within the calculation. For the purposes of calculating value in use of cash generating units containing other intangible assets, cash flow projections over the remaining life of the underlying contracts, together with extensions based on management's probability weighted expectation of contract renewal where appropriate have been used.

All cash flow projections are based on financial budgets and projections prepared by senior management and approved by the Board of Directors.

Where recoverable amount has been determined using fair value, fair value has been determined using external sources including comparable transactions using profitability/revenue multiples

Notes to the Financial Statements for the Year Ended 30 September 2024

13. Property, plant and equipment

Group

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Assets under construction £ 000	IT equipment £ 000	Total £ 000
Cost or valuation					
At 1 October 2022	5,152	25,607	10,616	2,787	44,162
Additions	704	4,261	1,964	3,123	10,052
Disposals	(145)	(185)	(235)	(40)	(605)
Transfers	3	4,003	(8,812)	2,635	(2,171)
At 30 September 2023	5,714	33,686	3,533	8,505	51,438
Additions	2,422	12,424	5,698	1,230	21,774
Disposals	(87)	(46)	-	(8)	(141)
Transfers	(3)	3	(3,776)	1,450	(2,326)
At 30 September 2024	8,046	46,067	5,455	11,177	70,745
Depreciation					
At 1 October 2022	(3,698)	(13,587)	(234)	(1,118)	(18,637)
Charge for year	(568)	(5,953)	-	(1,292)	(7,813)
Eliminated on disposal	-	-	234	-	234
At 30 September 2023	(4,266)	(19,540)	-	(2,410)	(26,216)
Charge for the year	(497)	(5,591)	-	(2,547)	(8,635)
At 30 September 2024	(4,763)	(25,131)	-	(4,957)	(34,851)
Carrying amount					
At 30 September 2024	3,283	20,936	5,455	6,220	35,894
At 30 September 2023	1,448	14,146	3,533	6,095	25,222

See note 12 for full details of the methodology and assumptions applied in the impairment testing process which covers both intangible and tangible assets.

Notes to the Financial Statements for the Year Ended 30 September 2024

14. Right of use asset

	Vehicles £ 000	Property £ 000	Other £ 000	Total £ 000
Cost or valuation				
At 1 October 2022	1,028	65,078	28	66,134
Additions	781	8,545	-	9,326
Disposals	(99)	(137)	-	(236)
At 30 September 2023	1,710	73,486	28	75,224
Additions	108	15,311	-	15,419
Disposals	-	(89)	-	(89)
At 30 September 2024	1,818	88,708	28	90,554
Depreciation				
At 1 October 2022	(560)	(21,622)	(22)	(22,204)
Charge for year	(298)	(7,685)	(1)	(7,984)
At 30 September 2023	(858)	(29,307)	(23)	(30,188)
Charge for the year	(454)	(7,781)	(5)	(8,240)
At 30 September 2024	(1,312)	(37,088)	(28)	(38,428)
Carrying amount				
At 30 September 2024	506	51,620	-	52,126
At 30 September 2023	852	44,178	5	45,035

In May 2024, following approval from the Competition and Markets Authority, the Group completed on two transactions relating to a hospital site in Birmingham. One transaction was a 25 year lease entered into with the site Landlord; the other transaction was an asset purchase agreement with the outgoing tenant, relating to equipment and a small number of employees, for which the Group received £8m in cash.

These transactions have been accounted for as an acquisition of a group of assets and liabilities, rather than a business combination. The lease liability has been accounted for as a new lease, and any residual consideration has been allocated to the equipment and right of use asset relative to the fair value of each asset, resulting in the majority of the £8m received being effectively accounted for as a deduction against the right of use asset.

We have had to apply judgement in determining where to present the £8m cash received. In reaching our conclusion, we note that the £8m receipt does not relate to the Group’s operating activities, and does not affect payments to be made under the lease arrangement. Therefore, reflecting that the £8m received was from the purchase/acquisition of Edgbaston, we have presented the cashflow within investing activities.

Notes to the Financial Statements for the Year Ended 30 September 2024

15. Investments

Summary of Company investments

	30 September 2024 £ 000	30 September 2023 £ 000
Investments in subsidiaries	115,600	115,600

Details of the Group subsidiaries as at 30 September 2024 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held 2024	2023
Practice Plus Group Bidco Limited	Holding Company	United Kingdom	100%	100%
Practice Plus Group Holdings Limited	Support function	United Kingdom	100%	100%
Practice Plus Group Primary Care Limited	Primary care services	United Kingdom	100%	100%
Shepton Mallet Health Partnership Limited	Medical Services	United Kingdom	51%	51%
Practice Plus Group Hospitals Limited	Medical Services	United Kingdom	100%	100%
Practice Plus Group Pharmacy Services Limited	Pharmacy Services	United Kingdom	100%	100%
Practice Plus Group Urgent Care Holdings Limited	Holding Company	United Kingdom	100%	100%
Practice Plus Group Health and Rehabilitation Services Limited	Prison Healthcare	United Kingdom	100%	100%
Practice Plus Group Urgent Care Limited	Primary Care Services	United Kingdom	100%	100%
Practice Plus Group Midco 1 Limited *	Holding Company	United Kingdom	100%	100%
Practice Plus Group Midco 2 Limited	Holding Company	United Kingdom	100%	100%
Suffolk Integrated Healthcare Limited	Struck off	United Kingdom	0%	51%

* indicates direct investment of the Company

All subsidiaries listed above have their registered office at Ground Floor, 1330 Arlington Business Park, Theale, Reading, England, RG7 4SA with the exception of Suffolk Integrated Healthcare Limited which was struck off during the year.

Notes to the Financial Statements for the Year Ended 30 September 2024

16. Other financial assets

	Group		Company	
	30 September 2024 £ 000	**30 September 2023 £ 000**	**30 September 2024 £ 000**	**30 September 2023 £ 000**
Non-current financial assets				
Fair value of interest rate cap	535	1,760	-	-
Loan to management	1,478	1,444	-	-
	2,013	3,204	-	-

17. Inventories

	Group		Company	
	30 September 2024 £ 000	**30 September 2023 £ 000**	**30 September 2024 £ 000**	**30 September 2023 £ 000**
Medical consumables	1,583	1,253	-	-

18. Trade and other receivables

Current	Group		Company	
	30 September 2024 £ 000	**30 September 2023 £ 000**	**30 September 2024 £ 000**	**30 September 2023 £ 000**
Trade receivables	8,345	10,731	-	-
Provision for impairment of trade receivables	(170)	(140)	-	-
Net trade receivables	8,175	10,591	-	-
Receivables from subsidiaries	-	-	1,027	1,071
Prepayments	9,721	6,946	-	-
Other receivables	2,150	6,703	-	-
Accrued income	18,459	16,851	-	-
Income tax asset	842	-	-	-
	39,347	41,091	1,027	1,071

The Group's exposure to credit and market risks, including maturity analysis, relating to trade and other receivables is disclosed in the financial risk review note.

Trade receivables above include amounts (detailed below) that are past due at the end of the reporting period and which an allowance for doubtful debts has not been recognised as the amounts are still considered recoverable and there hasn't been a significant change in credit quality.

Notes to the Financial Statements for the Year Ended 30 September 2024

18 Trade and other receivables (continued)

Age of trade receivables that are past due but not impaired	Group		Company	
	30 September 2024 £ 000	30 September 2023 £ 000	30 September 2024 £ 000	30 September 2023 £ 000
0 to 30 days	1,578	4,093	-	-
31 to 60 days	328	633	-	-
61 to 90 days	2,265	295	-	-
91 to 120 days	107	18	-	-
Over 120 Days	261	274	-	-
	4,539	5,313	-	-

19. Cash and cash equivalents

	Group		Company	
	30 September 2024 £ 000	30 September 2023 £ 000	30 September 2024 £ 000	30 September 2023 £ 000
Cash on hand	1	1	-	-
Cash at bank	34,259	19,774	54	434
Cash placed on Treasury deposit	433	-	-	-
	34,693	19,775	54	434

20. Trade and other payables

	Group		Company	
	30 September 2024 £ 000	30 September 2023 £ 000	30 September 2024 £ 000	30 September 2023 £ 000
Trade payables	(30,420)	(36,816)	-	-
Accruals	(50,138)	(42,800)	(23)	(10)
Social security and other taxes	(6,661)	(5,925)	-	-
Other payables	(3,445)	(1,838)	-	(434)
Deferred income	(9,216)	(9,431)	-	-
Income tax liability	-	(437)	-	-
	(99,880)	(97,247)	(23)	(444)

The Group's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in the financial risk review note.

Notes to the Financial Statements for the Year Ended 30 September 2024

21. Loans and borrowings

	Group		Company	
	30 September 2024 £ 000	**30 September 2023 £ 000**	**30 September 2024 £ 000**	**30 September 2023 £ 000**
Current loans and borrowings				
Term loan	-	(271)	-	-
	-	(271)	-	-
Non-current loans and borrowings				
Term loan	(134,934)	(100,533)	-	-
	(134,934)	(100,804)	-	-

The loans and borrowings classified as financial instruments are disclosed in the financial instruments note.

22. Provisions

Group

	Onerous contracts £ 000	**Inquest and claims provision £ 000**	**Dilapidation provisions £ 000**	**Total £ 000**
At 1 October 2023	(36)	(4,134)	(4,390)	(8,560)
Increase in existing provisions	-	(1,585)	(285)	(1,870)
Provisions used	-	-	134	134
Unused provision reversed	36	1,239	206	1,481
Increase due to passage of time or unwinding of discount	-	-	(268)	(268)
Decrease due to change in financial assumptions	-	497	131	628
At 30 September 2024	-	(3,983)	(4,472)	(8,455)
Non-current liabilities	-	(1,989)	(1,936)	(3,925)
Current liabilities	-	(1,994)	(2,536)	(4,530)

The provision for dilapidations relates to the estimated value of obligations in lease agreements to put the leased property back to the state in which it was originally leased. The estimated value has been adjusted for inflation and has been discounted. The provision is expected to unwind over a period to 2045.

The inquest and claims provision covers the costs that we expect to incur though an inquest process, typically legal representation in court and advice beforehand, and costs relating to claims raised against us, which again will include legal advice & representation but also potential compensation due to claimants if cases go against us.

The provision for onerous contracts relates principally to two sites which the Group has vacated or intends to vacate prior to the end of the lease date and represents the present value of future cash flows associated with those sites.

Notes to the Financial Statements for the Year Ended 30 September 2024

23. Pensions and other schemes

Defined benefit pension schemes

The Group operates four defined benefit pension schemes mainly for the benefit of employees who have transferred into the Group on TUPE protected terms. These include one Prudential Platinum scheme and three different subsections of the Mercer DB Master trust scheme including Urgent Care, Hospitals and Health & Rehabilitation Services.

These schemes are all sub-sections of schemes which are administered by separate trustees. The Group is responsible for making good any deficit within these schemes which introduces a number risks including interest rate risk; inflation risk; investment risk and longevity risk. These risks are managed through appropriate investment and funding strategies.

The Group notes the further High Court judgement issued on 20 November 2020 relating to Guaranteed Minimum Pension ("GMP") equalisation. However this will not have any impact on the Group's results as although the plans were contracted out, there were no liabilities in respect of pre 6 April 1997 service and therefore no GMP liabilities so is unaffected by this legislation.

Prudential Platinum

The Company participates in the Prudential Platinum Pension - Practice Plus Group Hospitals Limited, a funded defined benefit pension Sub-Scheme in the UK. The Sub-Scheme is administered within a trust which is legally separate from the Company. The Sub-Scheme is set up on a tax relieved basis as a separate trust independent of the Company and is supervised by an independent Trustee. The Trustee is responsible for ensuring that the correct benefits are paid, that the Sub-Scheme is appropriately funded and that Sub-Scheme assets are appropriately invested.

This Sub-Scheme provides pensions and lump sums to members on retirement and to their dependants on death. Members who leave service before retirement are entitled to a deferred pension. The Sub-Scheme closed to accrual of benefits on 30 April 2015.

Actuarial valuations of the Sub-Scheme are carried out on a regular basis: usually every three years. These valuations determine the contributions that the Company pays into the Sub-Scheme to ensure it is fully funded. The next actuarial valuation is due to be carried out with an effective date of 31 December 2025. At the valuation date the Sub-Scheme was fully funded on a technical provisions basis and therefore the Group is not required to make any cash contributions into the scheme.

Contributions payable to the pension scheme at the end of the year are £Nil (2023 - £Nil).

The expected contributions to the plan for the next reporting period are £45k.

The scheme was most recently valued on 31 December 2022. The valuation as at 31 December 2022 revealed a funding Surplus of £61k. The average duration of the liabilities is approximately 13 years.

Notes to the Financial Statements for the Year Ended 30 September 2024

23 Pension and other schemes (continued)

Federated Pension Plan: Urgent Care
The Urgent Care section of the Federated Pension Plan has 51 past and 2 active employees.

There have been no amendments, curtailments or settlements during the year.

Contributions payable to the pension scheme at the end of the year are £Nil (2023 - £Nil).

The expected contributions to the plan for the next reporting period are £46k.

The scheme was most recently valued on 05/04/2022. The scheme showed a surplus of £204k.

The Company pays £3.3k per month to cover administration expenses and PPF levy.

Federated Pension Plan: Hospitals
The Hospitals section of the Federated Pension Plan has 11 active employees and 4 members who have retired or have vested benefits.

There have been no amendments, curtailments or settlements during the year.

Contributions payable to the pension scheme at the end of the year are £Nil (2023 - £Nil).

The expected contributions to the plan for the next reporting period are £94k.

The scheme had a deficit of £200k at its most recent triennial valuation.

Federated Pension Plan: Health & Rehabilitation Services
The Health & Rehabilitation services section of the Federated Pension Plan has 1 active and 26 past employees.

Contributions payable to the pension scheme at the end of the year are £Nil (2023 - £Nil).

The expected contributions to the plan for the next reporting period are £34k.
The scheme was most recently valued on 05/04/2022. The scheme showed a surplus of £193k.

Notes to the Financial Statements for the Year Ended 30 September 2024

23 Pension and other schemes (continued)

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	Prudential Platinum 30 September 2024 £ 000	FPP: Health & Rehabilitation Services 30 September 2024 £ 000	FPP: Hospitals 30 September 2024 £ 000	FPP: Urgent Care 30 September 2024 £ 000	Total 30 September 2024 £ 000
Fair value of scheme assets	1,764	1,958	1,672	3,593	8,987
Present value of scheme liabilities	(1,489)	(1,368)	(858)	(1,674)	(5,389)
	275	590	814	1,919	3,598
Effect of asset ceiling	(275)	(590)	(814)	(1,919)	(3,598)
Defined benefit pension scheme deficit	-	-	-	-	-

	Prudential Platinum 30 September 2023 £ 000	FPP: Health & Rehabilitation Services 30 September 2023 £ 000	FPP: Hospitals 30 September 2023 £ 000	FPP: Urgent Care 30 September 2023 £ 000	Total 30 September 2023 £ 000
Fair value of scheme assets	1,723	1,261	1,369	3,253	7,606
Present value of scheme liabilities	(1,397)	(1,345)	(702)	(1,589)	(5,033)
	326	(84)	667	1,664	2,573
Effect of asset ceiling	(326)	-	(667)	(1,664)	(2,657)
Defined benefit pension scheme deficit	-	(84)	-	-	(84)

The disclosures required by IAS19 have been prepared on an aggregated basis rather than on a scheme basis on the grounds that none of the schemes are individually significant.

Notes to the Financial Statements for the Year Ended 30 September 2024

23 Pension and other schemes (continued)

Scheme assets

Changes in the fair value of scheme assets are as follows:

	30 September 2024 £ 000	30 September 2023 £ 000
Fair value at start of year	7,606	9,485
Interest income	439	479
Return on plan assets, excluding amounts included in interest income/(expense)	486	(2,388)
Employer contributions	776	319
Contributions by scheme participants	34	39
Benefits paid	(170)	(176)
Administrative expenses paid	(184)	(152)
Fair value at end of year	8,987	7,606

Analysis of assets

The major categories of scheme assets are as follows:

	30 September 2024 £ 000	30 September 2023 £ 000
Cash and cash equivalents	34	42
Equity instruments	1,560	1,213
Debt instruments	5,214	4,696
Investment funds	2,179	1,655
	8,987	7,606

Actual return on scheme's assets

	30 September 2024 £ 000	30 September 2023 £ 000
Actual return on scheme assets	925	1,909

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Notes to the Financial Statements for the Year Ended 30 September 2024 (continued)

23 Pension and other schemes (continued)

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	30 September 2024 £ 000	30 September 2023 £ 000
Present value at start of year	(5,033)	(5,837)
Current service cost	(82)	(97)
Actuarial gains and (losses) arising from changes in demographic assumptions	116	(59)
Actuarial gains and losses arising from changes in financial assumptions	(283)	725
Actuarial gains and losses arising from experience adjustments	39	394
Interest cost	(282)	(296)
Benefits paid	170	176
Contributions by scheme participants	(34)	(39)
Present value at end of year	(5,389)	(5,033)

Effect of asset ceiling

A reconciliation of the effect of the asset ceiling is as follows:

	30 September 2024 £ 000	30 September 2023 £ 000
Opening balance	(2,657)	(3,965)
Interest cost	(148)	(197)
Changes in asset ceiling, excluding amounts included in interest	(793)	1,505
Closing balance	(3,598)	(2,657)

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the statement of financial position date are below. These assumptions are the average assumptions across all four defined benefit schemes.

	30 September 2024 %	30 September 2023 %
Discount rate	5.1	5.6
Future salary increases	3.0	3.0
RPI Inflation	3.2	3.4

Notes to the Financial Statements for the Year Ended 30 September 2024 (continued)

23 Pension and other schemes (continued)

Post retirement mortality assumptions

	30 September 2024 Years	30 September 2023 Years
Current UK pensioners at retirement age - male	84	85
Current UK pensioners at retirement age - female	87	87
Future UK pensioners at retirement age - male	86	86
Future UK pensioners at retirement age - female	88	89

Amounts recognised in the income statement

	30 September 2024 £ 000	30 September 2023 £ 000
Amounts recognised in operating profit		
Current service cost	(82)	(97)
Losses on curtailments and settlements	(184)	(152)
Recognised in arriving at operating profit	(266)	(249)
Amounts recognised in finance income or costs		
Net interest	9	(14)
Total recognised in the income statement	(257)	(263)

Amounts taken to the Statement of Comprehensive Income

	30 September 2024 £ 000	30 September 2023 £ 000
Actuarial gains and (losses) arising from changes in demographic assumptions	116	(59)
Actuarial gains and (losses) arising from changes in financial assumptions	(283)	725
Actuarial gains and (losses) arising from experience adjustments	39	394
Return on plan assets, excluding amounts included in interest income/(expense)	486	(2,388)
Changes in the effect of the asset ceiling	(793)	1,505
Amounts recognised in the Statement of Comprehensive Income	(435)	177

Notes to the Financial Statements for the Year Ended 30 September 2024 (continued)

24. Share capital

Allotted, called up and fully paid shares

	30 September 2024		30 September 2023	
	No. 000	**£ 000**	**No. 000**	**£ 000**
Ordinary A shares of £1 each	110,600	110,600	110,600	110,600
Ordinary B shares of £1 each	164	164	164	164
	110,764	110,764	110,764	110,764

25. Leases

The Group uses leases across its business as a means of obtaining the right to use assets without taking on legal ownership. These primarily include leases relating to property within Secondary Care and Integrated Urgent Care as well as leases relating to vehicles. Lease payments are generally fixed with annual rent reviews linked to inflation. The Group does not have any leases with variable payments based on any other indices or inputs.

The right of use asset relating to leased assets is disclosed separately on the face of the Balance Sheet.

There are no leases within the Company.

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

Payment	**30 September 2024 £ 000**	**30 September 2023 £ 000**
Right of use asset	11,043	9,439

Total lease costs recognised in the income statement are presented in the table below:

Amounts included in profit or loss:	**30 September 2024 £ 000**	**30 September 2023 £ 000**
Reversal of qualifying lease costs	(11,829)	(9,345)
Interest payable - Finance lease interest	2,606	2,106
Depreciation of right of use asset	8,240	7,984
Total (gain)/charge	(983)	745

Notes to the Financial Statements for the Year Ended 30 September 2024 (continued)

25 Leases (continued)

Group

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	30 September 2024 £ 000	30 September 2023 £ 000
Less than one year	(10,172)	(10,305)
2 years	(7,312)	(5,056)
3 years	(6,805)	(4,441)
4 years	(6,038)	(4,119)
5 years	(5,616)	(3,425)
6 years	(5,009)	(3,120)
7 years	(4,902)	(3,120)
8 years	(4,172)	(3,018)
9 years	(4.172)	(2,288)
10 years	(3,951)	(2,288)
Between 10 to 15 years	(18,547)	(11,440)
More than 15 years	(20,412)	(11,739)
Lease liabilities (undiscounted)	(97,108)	(64,359)
Impact of discounting	34,778	16,925
Lease liabilities (discounted)	(62,330)	(47,434)

26. Share-based payments

Since 2019, certain senior management have been invited to become shareholders in the Company. These management were entitled to purchase B Ordinary shares at a price reflecting the fair value of the shares on the date of acquisition. The fair value of the shares acquired was measured at the grant date using the estimated enterprise value of the business, and market conditions such as the management estimate of exit date. These shares entitle management to a certain level of return in the case of any sale by the controlling party, subject to certain value thresholds being met. To qualify, the management must be employed by the Group at the point of sale. If management leave the business, then it is anticipated that their shares will be repurchased by either other employees or the employee benefit trust. Management subscribed a certain element of cash relating to the shares, with the balance representing a loan from the Company, payable at the point of any future sale. See note 31 for details of related party transactions.

These shares have been accounted for as equity settled share based payments. The issue of the shares resulted in an increase in equity for the fair value of the shares issued. Given management paid fair value for the equity instruments, there was no impact on the income statement. In total 164,000 shares were issued at a price of £6.65 each, with an additional 36,000 shares issued in 2021. 36,000 shares were repurchased by the Company during year ended 30 September 2023.

At 30 September 2023 and at 30 September 2024, the EBT held a balance of 10,000 shares in Practice Plus Group Topco Limited.

Notes to the Financial Statements for the Year Ended 30 September 2024 (continued)

27. Dividends

Interim dividends paid

	30 September 2024 £ 000	30 September 2023 £ 000
Interim dividend paid on Ordinary shares	34,125	53,297

28. Contingent liabilities

Group

In the event that the Group fails to comply with covenants in the Senior Facilities Agreement ("SFA"), then the assets of certain guarantee companies within the Group could be surrendered to the Lenders in settlement of any liabilities unpaid. At 30 September 2024, there is a nil balance outstanding under the RCF and £135m has been drawn under the Term Loan facilities.

The Group has been in negotiation with the NHS regarding certain employees who are in receipt of defined pension benefits. These specific employees were working in services which the Group is no longer party to and therefore there is an expectation that the defined benefit liabilities should be transferred back to the NHS. Agreement has not yet been reached about whether any top-up payment is required.

HMRC are currently reviewing the employment status of self-employed clinicians working in the Out of Hours business as part of a sector-wide review of employment status within the Healthcare sector. HMRC have not yet provided any indication of any individuals or groups that they consider should be treated as employed and are currently reviewing contracts and working practices to establish all the facts. If HMRC conclude that certain individuals or groups should have been engaged as employees for tax purposes, the Group will be liable for any historic income tax and national insurance contributions which have not been settled by the individuals themselves.

Notes to the Financial Statements for the Year Ended 30 September 2024 (continued)

29. Analysis of changes in net debt

Group

	At 1 October 2023 £ 000	Financing cash flows £ 000	Interest £ 000	Operating cash flows £ 000	At 30 September 2024 £ 000
Cash and cash equivalents					
Cash	19,775	-	-	14,918	34,693
	19,775	-		14,918	34,693
Borrowings					
External debt financing	(100,000)	(35,000)	-	-	(135,000)
	(100,000)	(35,000)	-	-	(135,000)
	(80,225)	(35,000)	-	14,918	(100,307)

	At 1 October 2022 £ 000	Financing cash flows £ 000	Interest £ 000	Operating cash flows £ 000	At 30 September 2023 £ 000
Cash and cash equivalents					
Cash	32,099	(17,642)	-	5,318	19,775
	32,099	(17,642)	-	5,318	19,775
Borrowings					
Intercompany borrowings	(66,550)	66,703	(153)	-	-
External debt financing	-	(100,000)	-	-	(100,000)
	(66,550)	(33,297)	(153)	-	(100,000)
	(34,451)	(50,939)	(153)	5,318	(80,225)

30. Financial risk review

Group

This note presents information about the Group’s exposure to financial risks and the Group’s management of capital.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Notes to the Financial Statements for the Year Ended 30 September 2024 (continued)

30 Financial risk review (continued)

Maturity analysis for financial liabilities and financial assets

The following table sets out the remaining contractual maturities of the Group's financial liabilities and financial assets by type.

At 30 September 2024:

Non derivative assets	Carrying amount £ 000	Less than 1 month £ 000	1-3 months £ 000	3 months to 1 year £ 000	1 year to 5 years £ 000	More than 5 years £ 000
Trade receivables	8,345	8,345	-	-	-	-
Accrued income	18,459	4,448	11,987	2,024	-	-
Other receivables	2,150	1,701	-	-	449	-
Cash and short-term deposits	34,693	34,693	-	-	-	-

At 30 September 2023:

Non derivative assets	Carrying amount £ 000	Less than 1 month £ 000	1-3 months £ 000	3 months to 1 year £ 000	1 year to 5 years £ 000	More than 5 years £ 000
Trade receivables	10,591	10,591	-	-	-	-
Accrued income	16,851	3,264	12,846	741	-	-
Other receivables	6,703	6,703	-	-	-	-
Cash and short term deposits	19,775	19,775	-	-	-	-

Derivative assets	30 September 2024 £ 000	30 September 2023 £ 000
Interest rate cap	535	1,760

At 30 September 2024:

Non derivative liabilities	Carrying amount £ 000	Less than 1 month £ 000	1-3 months £ 000	3 months to 1 year £ 000	1 year to 5 years £ 000	More than 5 years £ 000
Trade creditors	(30,420)	(13,825)	(15,788)	(807)	-	-
Accruals	(50,138)	(15,988)	(34,150)	-	-	-
Other payables	(3,445)	(3,445)	-	-	-	-
Term loan exc issue fees	(134,934)	-	-	-	-	(134,934)

Notes to the Financial Statements for the Year Ended 30 September 2024 (continued)

30 Financial risk review (continued)

At 30 September 2023:

Non derivative liabilities	Carrying amount £ 000	Less than 1 month £ 000	1-3 months £ 000	3 months to 1 year £ 000	1 year to 5 years £ 000	More than 5 years £ 000
Trade creditors	(36,816)	(11,892)	(22,594)	(2,330)	-	-
Accruals	(42,800)	(17,324)	(25,476)	-	-	-
Other payables	(1,838)	(1,838)	-	-	-	-
Term loan exc issue fees	(104,069)	-	-	(271)	-	(103,798)

Market risk

The following table sets out the allocation of assets and liabilities subject to market risk:

At 30 September 2024	Carrying amount £ 000
Assets subject to market risk	
Cash and short-term deposits	34,693
Interest rate cap	535
	35,228
Liabilities subject to market risk	
Long-term financial liabilities	(134,934)
Amounts owed to related parties	(1,340)
	(136,274)

At 30 September 2023	Carrying amount £ 000
Assets subject to market risk	
Cash and short-term deposits	19,775
Interest rate cap	1,760
	21,535
Liabilities subject to market risk	
Long-term financial liabilities	(100,000)
	(100,000)

The Group is exposed to interest rate risk from its cash holdings, amounts owed to related parties and any amounts borrowed under the Revolving Credit Facility. Cash is placed on short-term deposit in order to maximise interest returns, and ensure flexible cash management. Amounts owed to related parties attract interest at a fixed rate which mitigates the risk of any impact on the income statement from changes in interest rates. The Revolving Credit facility which is undrawn at the year end attracts a floating rate of interest. The Group takes no specific measures to mitigate against floating rate interest changes as usage of the RCF is expected to be insignificant.

Notes to the Financial Statements for the Year Ended 30 September 2024 (continued)

30 Financial risk review (continued)

Capital components
At the inception of the Group in 2019, the Group was financed via a blend of both debt and equity from its shareholder. Following the refinancing during the current financial year, the Group has repaid its shareholder financing loans in full and debt financing is now provided by third party lenders.

Externally imposed capital requirements
There are no externally imposed capital requirements relating to either the Company or the Group.

Capital management
From a capital management perspective, the Group focuses on its net debt which is considered to be its cash and cash equivalents, less any external borrowings under the Senior Facilities Agreement which includes the £135m term loan and any borrowings under the RCF or overdraft facility es. At 30th September 2024, there were no outstanding borrowings under the RCF or overdraft.

31. Related party transactions

The Group has identified related party relationships with its subsidiaries, key management personnel and Directors and BEP IV (Nominees) Limited, the nominee vehicle for Bridgepoint Europe Portfolio IV LP.

Key management personnel

The Group has identified members of the Senior Leadership Team, Board advisors and the Directors as the key management of the Group.

Key management compensation

	30 September 2024 £ 000	30 September 2023 £ 000
Salaries and other short term employee benefits	3,130	2,557
Post-employment benefits	149	154
Other long-term benefits	449	3,098
	3,728	5,809

Expenditure with and payables to related parties

The transactions with companies controlled by Bridgepoint related to services incurred in the normal course of business and were transacted at market value.

2024	Bridgepoint £ 000	Companies controlled by Bridgepoint £ 000
Rendering of services	-	1,510
Amounts payable to related party	-	(88)

2023	Bridgepoint £ 000	Companies controlled by Bridgepoint £ 000
Rendering of services	39	-
Amounts payable to related party	(29)	-

Notes to the Financial Statements for the Year Ended 30 September 2024 (continued)

31 Related party transactions (continued)

Loans to related parties

2024	**Key management £ 000**
At start of period	1,444
Interest charged	34
At end of period	1,478

2023	**Key management £ 000**
At start of period	1,437
Advanced	542
Repaid	(565)
Interest charged	30
At end of period	1,444

Loans from related parties

2023	**Parent £ 000**
At start of period	(66,550)
Repaid	66,703
Interest charged	(153)
At end of period	-

The Group went through a refinancing during the prior year, the proceeds of which were utilised to repay the amounts outstanding to its parent company. Consequently there were no loans with related parties in 2024.

Notes to the Financial Statements for the Year Ended 30 September 2024 (continued)

32. Parent and ultimate parent undertaking

The ultimate controlling party is BEP IV (Nominees) Limited, the nominee vehicle for Bridgepoint Europe Portfolio IV LP. The ultimate parent company for BEP IV (Nominees) Limited is Bridgepoint Group plc, registered in England and Wales with company number 11443992 and listed on the London Stock Exchange.

The Company's immediate parent is BEP IV (Nominees) Limited incorporated in the United Kingdom.

The most senior parent entity producing publicly available financial statements is Practice Plus Group Topco Limited. These financial statements are available upon request from
Ground Floor,
1330 Arlington Business Park,
Theale,
Reading,
England,
RG7 4SA