Registered number: 05974195

INHEALTH REPORTING LIMITED

Unaudited

Directors' Report and Financial Statements

For the year ended 30 September 2021

INHEALTH REPORTING LIMITED

Company Information

Directors	R J Bradford D M Petrie (resigned 7 February 2022) A G Searle S J Scott (appointed 7 February 2022)
Registered number	05974195
Registered office	Beechwood Hall Kingsmead Road High Wycombe HP11 1JL
Banker	Bank of Scotland 4th Floor 25 Gresham Street London EC2V 7HN

INHEALTH REPORTING LIMITED

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Directors' Report
For the Year Ended 30 September 2021

The Directors present their report and the for the year ended 30 September 2021.

Principal activity

The principal activity of the Company is a Radiographer Reporting business, extending the offering in radiology services and creating career opportunities for radiographer reporting.

As part of the InHealth radiology service offering, this solution assists radiology departments in maximising reporting capabilities by using their on-site, Advanced Practitioner Radiographers to produce accurate, timely reports for optimal patient management and safety. Reporting on-site at over 30 hospitals in the UK, InHealth's expanding network of reporting radiographers is now well placed to respond to the increasing demand for this service and to offer a more integrated service, which will benefit both patients and referrers.

Business review

Revenue for the year for the Company was £969,000 (2020 £1.3 million) generating an operating loss of £377,000 (2020: operating loss of £606,000). This positions the Company well for growth and the Directors considers future prospects of the Company to be positive.

Covid-19

Covid-19 has remained a significant impact on the Group during the financial year. Clinical restrictions remain in place reducing available clinical capacity. For the Company the activity remained below pre-pandemic levels throughout the year. The Company has also suffered from increased sickness, illness and isolation absence of staff due to the prevalence of Covid-19 during the year. As a result of careful management during this period the Company did not need to make any redundancies or draw on furlough support, nor has it done since the beginning of the pandemic back in March 2020.

Over the next 12 months services which have remained impacted by Covid-19 are expected to gradually recover as the challenging backlog in diagnostic tests is addressed, and clinical restrictions can be eased. Government restrictions are expected to lift over time and while the economic impact may continue in the UK, the demand for healthcare services is anticipated to remain high. The Directors consider that the outlook for the Company remains strong and that it will continue to develop new and innovative patient services to make Healthcare better whilst remaining an essential partner for the NHS during this recovery period and beyond.

The Directors have prepared forecasts for the next 12 month period from the date of the approval of the Financial Statements including the potential impact of a slower recovery of services and consider that sufficient funds are available to meet liabilities as they fall due and have therefore prepared the Financial Statements on a Going Concern basis.

Proposed dividend

During the year no dividends were paid (2020: £nil) to the parent company InHealth Limited.

Directors

The Directors who served during and up to the date of signing the Financial Statements were as follows:

R J Bradford
D M Petrie (resigned 7 February 2022)
A G Searle
S J Scott (appointed 7 February 2022)

Political contributions

The Company made no political donations (2020: £nil).

Directors' Report (continued)
For the Year Ended 30 September 2021

Employees

Our people are central to our success in both delivering existing business and winning new contracts. Investment in our people and in building the right working environment will continue to be a priority. As part of the InHealth Group, the Company employs 6 highly skilled and trained professionals, as at 30 September 2021, with many years of experience working within the health sector.

The Board remains grateful for the contributions made by all individuals.

Engagement with employees

The Company's policy is to consult with employees on matters likely to affect the employees' interests. Information on matters of concern to employees is given through information bulletins and reports, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

Employment of disabled people

It is the Company's policy that disabled people are given the same consideration as other applicants for all job vacancies for which they offer themselves as suitable candidates. Similarly, the Company's policy is to continue to employ and train employees who have become disabled wherever possible.

Every effort has been made to ensure that line managers fully understand that disabled people must have the prospects and promotional opportunities that are available to other employees. The Company makes appropriate modifications to procedures and equipment where it is practical and safe to do so.

This report was approved by the Board on 21 July 2022 and signed on its behalf.

R J Bradford
Director

Directors' Responsibilities Statement
For the Year Ended 30 September 2021

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the 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 Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters relaed to going concern.
- use the going concern basis of accounting unless they either intend to liquidate the 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the 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 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 Company and to prevent and detect fraud and other irregularities.

INHEALTH REPORTING LIMITED

Statement of Comprehensive Income
For the Year Ended 30 September 2021

	Note	2021 £000	2020 £000
Turnover	3	**969**	1,343
Cost of sales		**(964)**	(1,305)
Gross profit		**5**	38
Administrative expenses		**(382)**	(644)
Operating loss	4	**(377)**	(606)
Interest payable and similar expenses	6	**(47)**	(47)
Loss before tax		**(424)**	(653)
Tax on loss	7	**191**	11
Loss and total comprehensive loss for the financial year		**(233)**	(642)

The notes on pages 8 to 25 form part of these Financial Statements.

INHEALTH REPORTING LIMITED
Registered number:05974195

Balance Sheet
As at 30 September 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Goodwill	9		**1,113**		1,113
Other intangible assets	8		**17**		39
Tangible Fixed Assets	10		**63**		91
Fixed Asset Investments	11		**1**		1
			1,194		1,244
Current assets					
Debtors: amounts falling due within one year	12	**465**		430	
Cash at bank and in hand		**71**		52	
		536		482	
Creditors: amounts falling due within one year	13	**(977)**		(782)	
Net current liabilities			**(441)**		(300)
Total assets less current liabilities			**753**		944
Creditors: amounts falling due after more than one year	14		**(1,473)**		(1,427)
Provisions for liabilities					
Deferred taxation	15	**-**		(4)	
			-		(4)
Net liabilities			**(720)**		(487)
Capital and reserves					
Capital contribution reserve			**140**		140
Profit and loss account			**(860)**		(627)
			(720)		(487)

Balance Sheet (continued)
As at 30 September 2021

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of Financial Statements.

The Company's Financial Statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The Financial Statements were approved and authorised for issue by the Board on and were signed on its behalf on 21 July 2022.

R J Bradford
Director

The notes on pages 8 to 25 form part of these Financial Statements.

INHEALTH REPORTING LIMITED

Statement of Changes in Equity
For the Year Ended 30 September 2021

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 October 2019	-	140	15	155
Loss for the year	-	-	(642)	(642)
Total comprehensive loss for the year	-	-	(642)	(642)
Total transactions with owners	-	-	-	-
At 30 September 2020 and 1 October 2020	-	140	(627)	(487)
Loss for the year	-	-	(233)	(233)
Total comprehensive loss for the year	-	-	(233)	(233)
At 30 September 2021	-	140	(860)	(720)

The notes on pages 8 to 25 form part of these Financial Statements.

Notes to the Financial Statements
For the Year Ended 30 September 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

InHealth Reporting Limited is a private company incorporated, domiciled and registered in the UK. The registered number is 05974195 and the registered address is Beechwood Hall, Kingsmead Road, High Wycombe, Buckinghamshire, HP11 1JL.

These Financial Statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The Company is exempt by virtue of S400 of the Companies Act 2006 from the requirement to prepare Group Financial Statements. These Financial Statements present information about the Company as an individual undertaking and not about its Group.

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent company, InHealth UK Holdings Limited includes the Company in its consolidated Financial Statements, which are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Beechwood Hall, Kingsmead Road, High Wycombe, Buckinghamshire, HP11 1JL.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

The Financial Statements are prepared on the historical cost basis.

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1. Accounting policies (continued)

1.3 Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Principal activity section of the Directors' Report on page 1.

The Financial Statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared forecasts for a period of 12 months from the date of approval of these Financial Statements which indicate that the Company will have sufficient funds to meet its liabilities as they fall due for that period. These forecasts indicate that, even when considering a severe but plausible continued downside impact of Covid-19, the Company will, subject to ongoing group support as set out below, continue to have sufficient funds to meet its liabilities as they fall due. The Company considers the medium-term outlook to be strong due to the opportunity to support the NHS in addressing the backlog of elective care.

The Group is funded by retained reserves and cash from operations. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. In order to finance the working capital and capital investment, the Company's ultimate parent undertaking InHealth UK Holdings Limited has provided written confirmation that it will for at least 12 months from the date of approval of these Financial Statements continue to make available such funds as are needed by the Company and in particular will not seek repayment of amounts currently made available. The Directors, based on the financial position of the Group and the Group's own going concern assessment, are satisfied that these arrangements will continue for the foreseeable future. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these Financial Statements, they have no reason to believe that it will not do so.

After taking into consideration the factors likely to affect the future of the Company, set out in the Principal activity section of the Directors' Report on page 1, absence of external debt and availability of cash after considering the above impact of Covid-19, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (at least 12 months after the approval of these Financial Statements). Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the Financial Statements and therefore have prepared the Financial Statements on a going concern basis.

1. Accounting policies (continued)

1.4 Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement
Financial assets
(a) Classification
On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits.

(b) Subsequent measurement and gains and losses
Financial assets at FVPL - these assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities and equity
Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

1. Accounting policies (continued)

1.4 Financial instruments

iii) Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

1. Accounting policies (continued)

1.5 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments

Investments in subsidiaries are carried at cost less impairment.

1.6 Business combinations

The Company measures goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

1.7 Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

1.8 Intangible assets

Other intangible assets

Other intangible assets acquired by the Company are stated at cost less accumulated amortisation and accumulated impairment losses.

Existing contracts and relationships are acquired through business combinations.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Existing customer contracts	5 years

1. Accounting policies (continued)

1.9 Impairment excluding stocks and deferred tax assets

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax 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 at the same time.

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 ("CGUs"). 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.

1. Accounting policies (continued)

1.10 Revenue

Revenue, which is measured as the fair value of consideration received for the activity performed, represents the amounts invoiced for the provision of plain film reporting services (excluding value added tax).

Revenue is recognised on the basis of the 5-step model under IFRS 15, which sets out the rules for revenue from contracts with customers based on the satisfaction of performance obligations. Management has undertaken a detailed assessment of all revenue streams using the 5-step approach specified by IFRS 15:

- Identify the contract(s) with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) a performance obligation is satisfied

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any transaction prices for the time value of money.

Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered and when performance obligations are satisfied. The Company typically satisfies its performance obligations as services are rendered on a "per procedure" basis, depending upon the terms of the contract. Revenue is recognised when control over the services transfers to the end customer ie. when the end customer has the ability to control the use of the transferred services provided and derive substantially their remaining benefits. Revenue is recognised when a contract with enforceable rights and obligations exists and the receipt of consideration is likely, taking into account the customer's credit quality. Payment terms are typically 30 days with no significant financing component or variable consideration. Revenue reflects all sales made by the Company, whether delivered directly or by sub-contractors as the Company remains the principal in all transactions.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Where contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

1. Accounting policies (continued)

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss account except to the extent that it relates to items recognised directly in equity or Other Comprehensive Income, in which case it is recognised directly in equity or Other Comprehensive Income.

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 balance sheet 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 balance sheet 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.

1.12 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company 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 profit and loss account in the periods during which services are rendered by employees.

1.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect reported amounts of assets, liabilities, revenues and expenses during the year.

Management periodically evaluates its estimates and judgements and bases them on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily available from other resources. Actual results may differ from these estimates.
The estimates and assumptions that have the most significant effect on the amount recognised in the Financial Statements are discussed below.

Impairment of goodwill

The Company annually tests whether goodwill has been impaired. The recoverable amount of the CGU to which goodwill has been allocated is determined based on value-in-use calculations. These calculations require assumptions to be made regarding projected cash flows and the choice of appropriate discount rate in order to calculate the value-in-use of those cash flows. These are disclosed in note the group Financial Statements.

3. Revenue

An analysis of turnover by class of business is as follows:

	2021	2020
	£000	£000
Provision of services	**969**	1,343

All turnover arose within the United Kingdom.

4. Operating loss

The operating loss is stated after charging:

	2021	2020
	£000	£000
Depreciation of tangible fixed assets	**22**	11
Amortisation of intangible assets, including goodwill	**24**	72

5. Employees

	2021 £000	2020 £000
Wages and salaries	**335**	319
Social security costs	**25**	41
Cost of defined contribution scheme	**6**	9
	366	369

The average monthly number of employees, including the Directors, during the year was as follows:

	2021 No.	2020 No.
Operations	**5**	7

Employee numbers in the current year have been calculated on headcount basis. The prior year comparatives have been restated to be shown on same basis, where previously it was calculated using WTE.

All Directors' remuneration was borne by InHealth Limited during the year. The notional cost of Directors to the Company was £4,000 (2020: £4,000) during the year. Notional cost of Directors' remuneration is allocated on a proportion of time basis. None of the Directors received any remuneration from the Company during the current or prior year.

6. Interest payable and similar expenses

	2021 £000	2020 £000
Other loan interest payable	**47**	47

Notes to the Financial Statements
For the Year Ended 30 September 2021

7. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	(111)	-
	(111)	-
Group taxation relief	(75)	-
	(186)	-
Total current tax	(186)	-
Deferred tax		
Origination and reversal of timing differences	(5)	(11)
Total deferred tax	(5)	(11)
Taxation on loss on ordinary activities	(191)	(11)

7. Taxation (continued)

Factors affecting tax charge for the year

The tax credit for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £000	2020 £000
Loss on ordinary activities before tax	**(424)**	(653)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	**(81)**	(124)
Effects of:		
Adjustments to tax charge in respect of prior periods	**(110)**	-
Group relief	**-**	113
Total tax credit for the year	**(191)**	(11)

7. Taxation (continued)

Factors that may affect future tax charges

A change in the UK corporation tax rate, announced in the Spring Budget on 3 March 2021, was substantively enacted on 24 May 2021. The rate applicable from 1 April 2021 remained at 19.00%, with the future corporation tax rate increasing to 25% from 1 April 2023. The deferred tax asset at 30 September 2021 has been calculated based on these rates.

8. Intangible assets

	Other intangibles £000
Cost	
At 1 October 2020	**374**
Additions - internal	**1**
At 30 September 2021	**375**
Amortisation	
At 1 October 2020	**334**
Charge for the year on owned assets	**24**
At 30 September 2021	**358**
Net book value	
At 30 September 2021	**17**
At 30 September 2020	40

Notes to the Financial Statements
For the Year Ended 30 September 2021

9. Goodwill

	2021 £000
Cost	
At 1 October 2020	**1,113**
At 30 September 2021	**1,113**
Amortisation	
As at 1 October 2020 and 30 September 2021	-
Net book value	
At 30 September 2021	**1,113**
At 30 September 2020	1,113

Cash generating units

Goodwill is allocated to the company's cash generating unit as follows:

	2021 £000	2020 £000
InHealth Reporting trading activities	**1,113**	1,113

The carrying value of each CGU is compared to its recoverable amount, which is determined as being the higher of the net realisable value or value in use. Where a reliable estimate of the net realisable value is available and is higher than the carrying amount of the asset, the asset is not impaired and then no value in use is calculated.

For the purposes of goodwill impairment testing each CGU has been reviewed separately. This represents the lowest level at which goodwill is monitored by the Group and reflects its business model.

Where necessary all of the CGUs have been calculated with reference to their value in use. To determine the present value of the expected cash flows attributable to that CGU, the plan earnings before interest and taxation have been used along with the key assumptions of this calculation as shown below:

	2021	2020
Period on which management approved plan is based	**4 Years**	4 Years
Average growth rate applied over the plan period	**18%**	1%
Discount rate	**7%**	8%

10. Tangible fixed assets

	Computer equipment £000
Cost	
At 1 October 2020	**104**
Additions	**1**
Disposals	**(7)**
At 30 September 2021	**98**
Depreciation	
At 1 October 2020	**13**
Charge for the year on owned assets	**22**
At 30 September 2021	**35**
Net book value	
At 30 September 2021	**63**
At 30 September 2020	91

11. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 October 2020	1
At 30 September 2021	1

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
E-Locum Services Limited	Provision of reporting services	£1	100%
Medical Imaging Audit and Accreditation Limited	Dormant	£1	100%

The registered office address of all subsidiary undertakings is Beechwood Hall, Kingsmead Road, High Wycombe, Buckinghamshire, HP11 1JL.

12. Debtors

	2021 £000	2020 £000
Trade debtors	75	54
Amounts owed by group undertakings	353	343
Prepayments and accrued income	36	33
Deferred taxation	1	-
	465	430

Amounts owed by group undertakings are interest free, repayable in accordance with credit terms and there is no security.

13. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	**13**	-
Amounts owed to group undertakings	**692**	392
Accruals and deferred income	**272**	390
	977	782

Amounts owed to group undertakings are interest free, repayable on demand and there is no security.

14. Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000
Amounts owed to group undertakings	**1,473**	1,427

The amounts owed to group undertakings are repayable 2 years from the balance sheet date. The loan face value is £1,427,000 (2020: £1,427,000) at an interest rate of 3.5% (2020: 3.5%). This loan is held at fair value of £1,332,000 (2020: £1,332,000). The amounts owed to group undertakings includes the interest on the loan that is due after more than one year.

15. Deferred taxation

	2021 £000	2020 £000
At beginning of year	**(4)**	(15)
Charged to profit or loss	**5**	11
At end of year	**1**	(4)

The deferred taxation balance is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	**1**	(4)

16. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
100 (2020: 100) Ordinary shares of £1 each	-	-

17. Capital contribution reserve

	2021 £000
At 1 October 2020 and 30 September 2021	140

18. Financial instruments

Financial risk management

Management continually monitor the credit risk, liquidity risk and market risk affecting the business and its financial assets and liabilities.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments.

Credit risk, liquidity risk and market risk are not considered material for the Company. These financial risks are considered on a consolidated basis in the Company's ultimate parent company's consolidated Financial Statements.

19. Ultimate parent company and parent company of larger Group

The ultimate parent undertaking and controlling party is The Damask Trust, the Trustees of which are I H Bradbury and The Embleton Trust Corporation Limited.

The largest Group in which the results of the Company are consolidated is that headed by InHealth UK Holdings Limited, which is incorporated in England and Wales. The smallest Group in which the results of the Company are consolidated is that headed by InHealth Group Limited, which is incorporated in England and Wales. The consolidated Financial Statements of these groups are available to the public and may be obtained from Beechwood Hall, Kingsmead Road, High Wycombe, Buckinghamshire, HP11 1JL.