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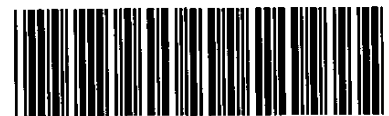
OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	E Perry N Harding
Registered number	07666277
Registered office	Rose House Bell Lane, Office Village Bell Lane Little Chalfont Amersham Buckinghamshire, HP6 6FA

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

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OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present the strategic report for Operose Health Corporate Management Limited (the "Company") for the year ended 31 December 2022.

Principal activities

The principal activities of the Company comprise the provision of overhead and administrative support to other group and associated companies.

Business review

Review of the year ended 31 December 2022

The directors are satisfied with the performance of the Company in the period to 31 December 2022.

Revenue and profit before tax during the period were £3,468k (2021: £3,726k) and £780k (2021: £254k), respectively.

Position at 31 December 2022 and future developments

Key performance indicators

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000	Year ended 31 December 2018 £000
Revenue	3,468	3,726	3,095	3,603	16,622
EBITDA	1,121	443	193	6	4,900
Profit (loss) before tax	780	254	122	(99)	4,791

Principal risks and uncertainties

The directors have overall responsibility for the Company's approach to assessing and managing risk, with the Company's management teams being responsible for the implementation of policies on risk control and compliance with such policies. The group central support centre offers compliance support, such as compliance audit, financial review, clinical governance and health and safety, which work to manage, reduce and, where possible, eliminate risk and uncertainties. The following key risks and uncertainties are key considerations in the Company's risk management activities:

Price risk

The Company is exposed to price risk due to normal inflationary increases in costs related to the running of its business. However, revenue for services is at contracted rates for the duration of contract periods for most of the Group's contracts. The Company has no exposure to equity securities price risk, as it holds no listed or other equity investments.

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties (continued)

Credit risk

The Company's customer base is predominantly NHS entities and secure institutions which are ultimately funded by central government and thus any credit exposure is minimal.

Liquidity risk

The Company monitors its liquidity position on a regular basis and leverages resources within the group and from parent company support, if required.

Political and Regulatory risk

Current and potential new NHS legislation is monitored by the Board and executive management to ensure the Company's product offerings are relevant to the UK healthcare market.

COVID-19

The impact of coronavirus on our surgeries and the wider NHS landscape continues to be closely monitored by management, with a range of preparedness and impact mitigation measures having been implemented to ensure that the impact on the company's ability to generate revenues and manage costs is minimised, whilst prioritising the safety and well-being of our employees and patients.

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) Statement

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. The Board welcomes the direction of the UK Financial Reporting Council (the 'FRC'). This S172 statement explains how the directors of the Company:

- engaged with employees, suppliers, customers and others; and
- regarded employee interests, the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regards, including on the principal decisions taken by the Company during the financial year.

The S172 statement focuses on matters of strategic importance to the company, and the level of information disclosed is consistent with the size and the complexity of the business.

General confirmation of directors' duties

The directors have a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval. The Delegation of Authority framework sets out the delegation and approval process across the broader business.

When making decisions, each director ensures that he/she acts in the way he/she considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

S172(1) (A) The likely consequences of any decision in the long term

The directors understand the business and the evolving environment in which we operate. In 2022, to help achieve our strategic ambitions, the Board continued to develop a strategy to deliver improved patient choice and service quality.

The directors recognise how our operations are viewed by our stakeholders, and the ever-increasing challenge of making decisions that align with all stakeholder interests. Given the complexity of the current healthcare environment, the directors have taken the decisions they believe best support the Company's strategic ambitions.

S172(1) (B) The interests of the Company's employees

The directors recognise that the Company's employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) Statement (continued)

S172(1) (C) The need to foster the Company's business relationships with suppliers, customers and others

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers and governments. The Company seeks the promotion and application of certain general principles in such relationships. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships. The Company continuously assesses the priorities related to customers and those with whom we do business, and the directors engage with the senior management team on these topics, for example, within the context of business strategy updates and investment proposals.

S172(1) (D) The impact of the Company's operations on the community and the environment

The directors review information on these topics to inform specific Board decisions related to specific strategic initiatives, including investment or divestment proposals and business strategy reviews, and to provide regular updates to the Company's senior management team.

S172(1) (E) The desirability of the Company maintaining a reputation for high standards of business conduct

The senior management team regularly reviews and approves clear frameworks, business principles, code of conduct, ethics & compliance manuals, and modern slavery statements, and all other group-wide policies, to ensure that the highest standards are maintained both within the Company and the relationships with our stakeholders. This, complemented by the ways the directors are informed and monitor compliance with relevant governance standards, help assure that the Company acts in ways that promote high standards of business conduct.

S172(1) (F) The need to act fairly as between members of the Company

After weighing up all relevant factors, the directors consider which course of action best enables delivery of the long-term strategy, taking into consideration the impact on stakeholders and ensuring fairness between members as far as can reasonably be achieved.

The Company is a low energy user under the SECR guidance and therefore environmental disclosures have not been presented.

This report was approved by the board and signed on its behalf.



E Perry

Director

23rd November 2023

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year, after taxation, amounted to £780k (2021: £254k).

The directors do not recommend the payment of a dividend in respect of the period (2021: nil).

Directors

The directors who served during the year were:

E Perry

N Harding

Employee engagement

The Company's human resources team and human resources systems and processes include provision for the gathering of employee feedback on matters of interest and concern to the Company's employees. Local site locations are overseen by business managers who provide a communications link to and from the senior management team. There are a range of internal communications tools, including e-mail notices, newsletters, staff surveys and briefings in order to keep employees informed of the progress of the business and the market environment.

Employment of disabled persons

The Company is committed to promoting equality of opportunity for all staff and job applicants. The Company has established an environment in which all individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit. The Company considers the employment needs of disabled people and complies with current legislation with regard to their employment. Where possible, the Company will continue to employ and promote the careers of existing employees who become disabled and will consider disabled persons for employment, subsequent training, career development and promotion on the basis of their aptitudes and abilities.

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions for the benefit of the directors and officers was in force during the financial year.

Creditor policy

The Company seeks to follow best practice guidelines laid down by the Department of Business, Innovation and Skills to pay suppliers in line with their agreed payment terms subject to suppliers meeting their contractual obligations. The Company continually reviews its supply chain with a view to maximising the strength of relationships with its preferred suppliers and obtain best prices.

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report was approved by the board and signed on its behalf.



E Perry
Director

23rd November 2023

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 their 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 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 related to going concern; and
- 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 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 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.

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Turnover	4	3,468	3,726
Cost of sales		<u>(196)</u>	<u>(61)</u>
Gross profit		3,272	3,665
Administrative expenses		<u>(2,401)</u>	<u>(3,344)</u>
Operating profit	5	871	321
Interest payable and similar expenses	8	(82)	(71)
Foreign exchange loss/(gain)		<u>(9)</u>	<u>4</u>
Profit before tax		780	254
Tax on profit	9	<u>—</u>	<u>—</u>
Profit for the financial year		780	254
Other comprehensive income for the year		<u>—</u>	<u>—</u>
Total comprehensive income for the year		<u>780</u>	<u>254</u>

The notes on pages 11 to 22 form part of these financial statements.

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	10	833	1,041
Tangible assets	11	15	32
		<u>848</u>	<u>1,073</u>
Current assets			
Debtors	12	28,097	21,969
Cash at bank and in hand	13	1,003	824
		<u>29,100</u>	<u>22,793</u>
Creditors: amounts falling due within one year	14	(17,102)	(14,931)
Net current assets		<u>11,998</u>	<u>7,862</u>
Total assets less current liabilities		<u>12,846</u>	<u>8,935</u>
Creditors amounts falling due after more than one year	15	(5,175)	(2,044)
Provisions for liabilities			
Other provisions	16	(15)	(15)
Net assets		<u><u>7,656</u></u>	<u><u>6,876</u></u>
Capital and reserves			
Called up share capital	17	—	—
Other reserves	18	2,110	2,110
Profit and loss account	18	5,546	4,766
		<u><u>7,656</u></u>	<u><u>6,876</u></u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of 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 financial statements were approved and authorised for issue by the board and were signed on its behalf by:



E Perry
Director

23rd November 2023

The notes on pages 11 to 22 form part of these financial statements.

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2021	—	2,110	4,512	6,622
Comprehensive income (loss) for the year				
Profit for the year	—	—	254	254
At 1 January 2022	—	2,110	4,766	6,876
Comprehensive income (loss) for the year				
Profit for the year	—	—	780	780
At 31 December 2022	—	2,110	5,546	7,656

The notes on pages 11 to 22 form part of these financial statements.

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Operose Health Corporate Management Limited is a private company, limited by share capital, incorporated in the United Kingdom and registered in England and Wales under company number: 07666277. The registered office is Rose House Bell Lane, Office Village, Bell Lane, Little Chalfont, Amersham, Buckinghamshire, HP6 6FA.

The financial information set out in these financial statements comprises the Company's statutory accounts for the years ended 31 December 2022 and 2021.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying the Company's accounting policies.

The Company's functional and presentational currency is GBP.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Operose Health Limited as at 31 December 2022 and these financial statements may be obtained from 108 High Street, Great Missenden, England, HP16 0BG.

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Going concern

The directors have considered the financial position of the Company. During this period the ultimate controlling party has provided confirmation of ongoing support to the Company. Therefore, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and as such, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

As disclosed within the audited accounts of the parent company, Operose Health Limited, these financial statements have been prepared on a going concern basis, which the directors consider to be appropriate for the following reasons:

- The Company has sufficient funds, through funding from its parent, to meet its liabilities as they fall due, for a period of at least 12 months from the date of approval of the financial statements; and
- The parent has indicated its intention not to seek repayment of any amounts owed by the Company at the balance sheet date, for a period of at least 12 months from the date of approval of the financial statements.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Intangible assets

Intangible assets acquired separately from a business are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Computer software is amortised on a straight line basis to the profit and loss account over its useful economic life of 3-5 years. The contract intangible relates to the value of an acquired contract with group companies and is amortized on a straight line basis to the profit and loss account over its useful economic life of 25 years.

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The useful economic lives of tangible assets are as follows:

Leasehold property

Aligns with the length of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

2.7 Operating Leases: the Company as lessee

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

2.8 Finance Leases: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.9 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.9 Financial instruments (continued)

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2.10 Pensions

Defined contribution pension plan

The Company operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognized as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Interest payable and similar income

Interest income is recognised in the profit and loss account using the effective interest method.

2.12 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Current and deferred taxation (continued)

- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

In the application of the Company's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

- i) Impairment of intangible assets and goodwill (note 10)

The Company considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

4. Turnover

All revenue arose within the United Kingdom. Revenue is attributable to the supply of locums and the recharge of administrative costs to the other companies within the Group.

5. Operating profit

The operating profit is stated after charging:

	2022	2021
	£000	£000
Depreciation of tangible fixed assets	17	27
Amortisation of intangible fixed assets	242	86
Other operating lease rentals	307	285
Defined contribution pension cost	39	19

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Employees

Staff costs were as follows:

	2022	<i>2021</i>
	£000	<i>£000</i>
Wages and salaries	1,463	<i>981</i>
Social security costs	184	<i>87</i>
Costs of defined contribution scheme	39	<i>19</i>
Other benefits	9	<i>4</i>
	<u>1,695</u>	<i><u>1,091</u></i>

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

	2022	<i>2021</i>
	No.	<i>No.</i>
Administrative	43	<i>25</i>
Clinical	<u>2</u>	<i><u>4</u></i>
	<u>45</u>	<i><u>29</u></i>

7. Key management personnel

The Company's key management personnel are the directors of the Company and its executive team.

8. Interest payable and similar expense

	2022	<i>2021</i>
	£000	<i>£000</i>
Loans from group undertakings	82	<i>71</i>
	<u>82</u>	<i><u>71</u></i>

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Taxation

	2022	<i>2021</i>
	£000	<i>£000</i>
Current tax		
Current tax on profit for the year	—	—
Adjustments in respect of previous periods	—	—
Total current tax	—	—
Deferred tax		
Origination and reversal of timing differences	—	—
Adjustments in respect of prior periods	—	—
Total deferred tax	—	—
Total tax charge (credit)	—	—

Factors affecting tax charge for the year

The tax assessed for the year is lower than (*2021: lower than*) the standard rate of corporation tax in the UK of 19% (*2021: 19%*). The differences are explained below:

	2022	<i>2021</i>
	£000	<i>£000</i>
Profit on ordinary activities before tax	780	<i>254</i>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (<i>2021: 19%</i>)	148	<i>48</i>
Effects of:		
Fixed asset differences	—	—
Expenses not deductible for tax purposes	6	—
Remeasurement of deferred tax for changes in tax rates	47	<i>(10)</i>
Deferred tax not recognised	(201)	<i>(38)</i>
Total tax charge (credit) for the year	—	—

Factors that may affect future tax charges

At 31 December 2022, there were trading losses of £286k (*2021: £630k*) to be used against future trading profits.

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Intangible assets

	Computer software £000	Contracts £000	Total £000
Cost			
At 1 January 2022	725	600	1,325
Additions	34	—	34
At 31 December 2022	759	600	1,359
Amortisation			
At 1 January 2022	90	194	284
Amortisation for the year	242	—	242
At 31 December 2022	332	194	526
Net book value			
At 31 December 2022	427	406	833
At 31 December 2021	635	406	1,041

11. Tangible fixed assets

	Leasehold property £000	Computer Hardware £000	Total £000
Cost			
At 1 January 2022	39	49	88
Additions	—	—	—
At 31 December 2022	39	49	88
Depreciation			
At 1 January 2022	39	17	56
Depreciation for the year	—	17	17
At 31 December 2022	39	34	73
Net book value			
At 31 December 2022	—	15	15
At 31 December 2021	—	32	32

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Debtors

	2022	2021
	£000	£000
Due within one year		
Amounts owed from group undertakings	27,643	20,048
Accrued income	144	1,824
Prepayments	310	97
Tax recoverable	—	—
	<u>28,097</u>	<u>21,969</u>

13. Cash and cash equivalents

	2022	2021
	£000	£000
Cash at bank and in hand	1,003	824
	<u>1,003</u>	<u>824</u>

14. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Accruals and deferred income	—	1,792
Amounts owed to group undertakings	12,324	10,470
Other taxation and social security	840	371
Other creditors	—	13
Trade creditors	3,938	2,285
	<u>17,102</u>	<u>14,931</u>

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

	2022	2021
	£000	£000
Amounts owed to group undertakings	5,175	2,044
	<u>5,175</u>	<u>2,044</u>

The amounts owed to group undertakings of £5.175k (2021: £2.044k) is repayable on 30 November 2036. The annual interest rate on this amount is 4%.

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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16. Provisions

	Legal provision £000
At 1 January 2022	15
Decrease in year	—
At 31 December 2022	15

The legal provision represents the Company's best estimate of the expected cost of settling liabilities, which it expects to arise in the settlement of on-going legal disputes. The timing for realising this provision is not known given the uncertainty of the outcomes and timing of these legal claims, but is expected to be in the next 2 years.

17. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
10 Ordinary shares at £1 each	10	10
	10	10

18. Reserves

Other reserves

This reserve is the investment from Operose Health (Group) Limited, the immediate parent of the Company.

Profit and loss account

This reserve records the cumulative retained earnings of the Company, less amounts distributed to shareholders.

19. Pension commitments

	2022 £000	2021 £000
Defined contribution pension scheme contributions paid during the year	39	19
Defined contribution pension scheme pension contributions payable at year-end	69	50

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Commitments under operating leases

The Company had future minimum lease payments under non-cancellable operating leases as follows:

	2022	<i>2021</i>
	£000	<i>£000</i>
Amounts due within 1 year	222	<i>225</i>
Amounts due within 2-5 years	594	<i>863</i>
Amounts due later than 5 years	—	<i>—</i>
	816	<i>1,088</i>

21. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33 to not disclose transactions with wholly owned group entities.

Transactions with non wholly owned group members were as follows:

Year ended 31 December 2022

	Sales	Purchases	Cash Transfers	Debtors	Creditors
	£000	£000	£000	£000	£000
Operose Health Limited	1,764	(365)	—	1,480	—
Operose Health (Group) Limited	233	—	1,140	—	(10,712)
The Practice Properties Limited	45	(4)	—	45	—
Operose Health (Group) UK Limited	6,805	(289)	(6,419)	4,339	—
Chilvers & McCrea Limited	7,591	(4,249)	(1,647)	6,384	—
The Practice Surgeries Limited	30,231	(12,882)	(12,956)	11,718	—
The Practice U Surgeries Limited	35	—	—	1,712	—
Phoenix Primary Care Limited	—	—	—	—	(2,237)
Phoenix Primary Care (South) Limited	—	—	—	1,963	—
Centene Management Company LLC	—	—	—	2	—
Ribera Salud Tecnologias S.L.U.	—	—	247	—	—
AT Medics Limited	—	—	(3,050)	—	(4,550)
	46,704	(17,789)	(22,685)	27,643	(17,499)

OPEROSE HEALTH CORPORATE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Related party transactions (continued)

Year ended 31 December 2021

	Sales	Purchases	Cash Transfers	Debtors	Creditors
	£000	£000	£000	£000	£000
Operose Health Limited	160	(88)	—	81	—
Operose Health (Group) Limited	321	(64)	(285)	—	(8,560)
The Practice Properties Limited	51	(3)	—	4	—
Operose Health (Group) UK Limited	6,658	(418)	(5,504)	4,242	—
Chilvers & McCrea Limited	5,920	(724)	(3,880)	4,689	—
The Practice Surgeries Limited	17,370	(6,219)	(13,848)	7,325	—
The Practice U Surgeries Limited	66	—	(12)	1,677	—
Phoenix Primary Care Limited	5	—	—	—	(2,207)
Phoenix Primary Care (South) Limited	14	—	—	2,028	—
Centene Management Company LLC	24	(24)	—	2	—
MH Services International Holdings (UK) Ltd	—	(4)	—	—	—
Ribera Salud Tecnologias S.L.U.	—	—	—	—	(247)
AT Medics Limited	—	—	—	—	(1,500)
	30,589	(7,544)	(23,529)	20,048	(12,514)

22. Controlling party

The Company's immediate parent, via control rather than voting shares, is Operose Health (Group) Limited, a company incorporated in England and Wales.

The ultimate controlling party and the parent of the largest group which includes the Company and for which group accounts are prepared is Centene Corporation, a company incorporated in the United States of America. Copies of the Group accounts can be obtained from its registered office at Centene Plaza, 7700 Forsyth Blvd., St. Louis, MO 63105, USA.

The consolidated accounts of Operose Health Limited, which is the smallest group which includes the Company and for which group accounts are prepared can be obtained from its registered office: 108 High Street, Great Missenden, England. HP16 0BG.