Spire Healthcare

Changing lives

Annual Report and Accounts
For the year ended 31 December 2024

Changing lives

Our purpose

Making a positive difference to people's lives, through outstanding personalised care

linkedin.com/company/spire-healthcare

x.com/spirehealthcare

spirehealthcare.com

Contents

Overview

2 Changing lives – our purpose
3 Contents
4 About us
5 Our businesses
6 The value we create – 2024 highlights from our strategy
7 The value we create – 2024 outstanding, personalised care
8 The value we create – 2024 financial highlights
9 The value we create – 2024 highlights: changing lives
10 Our model for success – shareholder value
12 Our model for success – societal value

Strategic report

14 Chief executive officer's strategic review
17 Our business model – how we create value
18 Our business model – how we generate revenue
19 Our market
21 Our strategy
38 Sustainability report
55 Engagement with stakeholders
62 Our key performance indicators
65 Risk management and internal control
77 TCFD report
83 Compliance statements
84 Chief financial officer's review

Governance report

90 Chairman's governance letter
91 Corporate governance report
97 Board of directors
100 Executive committee
101 Nomination committee report
103 Clinical governance and safety committee report
105 Audit and risk committee report
111 Remuneration committee report
115 Annual report on remuneration
123 Directors' report
126 Statement of directors' responsibilities

Financial statements

127 Independent auditor's report
135 Consolidated financial statements
138 Notes to the financial statements
165 Notes to the parent company financial statements

Other information

169 Shareholder information
171 Alternative performance measures definitions
172 Glossary and forward-looking statements

Key to Spire Healthcare Group plc

Group

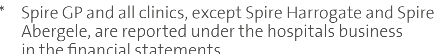
Hospitals and Primary Care Services combined

Hospitals

38 hospitals

Primary Care Services

Vita Health Group, The Doctors Clinic Group (Spire Occupational Health and London Doctors Clinic), Spire GP*, Spire Clinics*, Spire Mental Health



* Spire GP and all clinics, except Spire Harrogate and Spire Abergele, are reported under the hospitals business in the financial statements.

Our strategy

1 Driving hospital performance
2 Building on quality
3 Investing in our workforce
4 Championing sustainability
5 Expanding our proposition

21

Sustainability

– Respect the environment
– Engage our people and communities
– Operate responsibly

Engaging with our stakeholders

– Patients
– Colleagues
– Consultants
– Suppliers
– Private medical insurers (PMI)
– NHS
– GPs
– Corporates
– Regulators
– Investors and lenders
– Community

About us

Our purpose

Making a positive difference to people's lives through outstanding personalised care

Our strategy

Helping to meet Britain's healthcare needs by running great hospitals and developing new services

Who we are

Britain's largest independent integrated healthcare company by turnover, operating across England, Wales and Scotland

What we provide

Spire Healthcare offers a range of diagnostics and medical treatments from hospital and clinic to community. We have a nationwide network of private GPs through Spire GP and London Doctors Clinic; offer a range of mental health, musculoskeletal and dermatological services via Vita Health Group; private mental health through Spire Mental Health; and provide occupational health services to corporate clients through Spire Occupational Health and Vita Health Group.

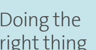
For private patients
We offer treatments for patients who have private health insurance or wish to pay for their treatment. They are able to choose when and where they are treated, and benefit from excellent clinical outcomes.

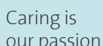
For the NHS
We offer capacity, capability and flexibility, supporting the NHS by taking thousands of patients off waiting lists nationally at the same tariff prices as local NHS trusts, and by delivering NHS services.

For corporates
We provide employers and corporates with tailored, flexible support for their employees through occupational health and employee assistance programmes, helping employees to recover and stay healthy.

Our values

Driving clinical excellence

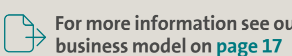

Doing the right thing


Caring is our passion

Keeping it simple

Delivering on our promises

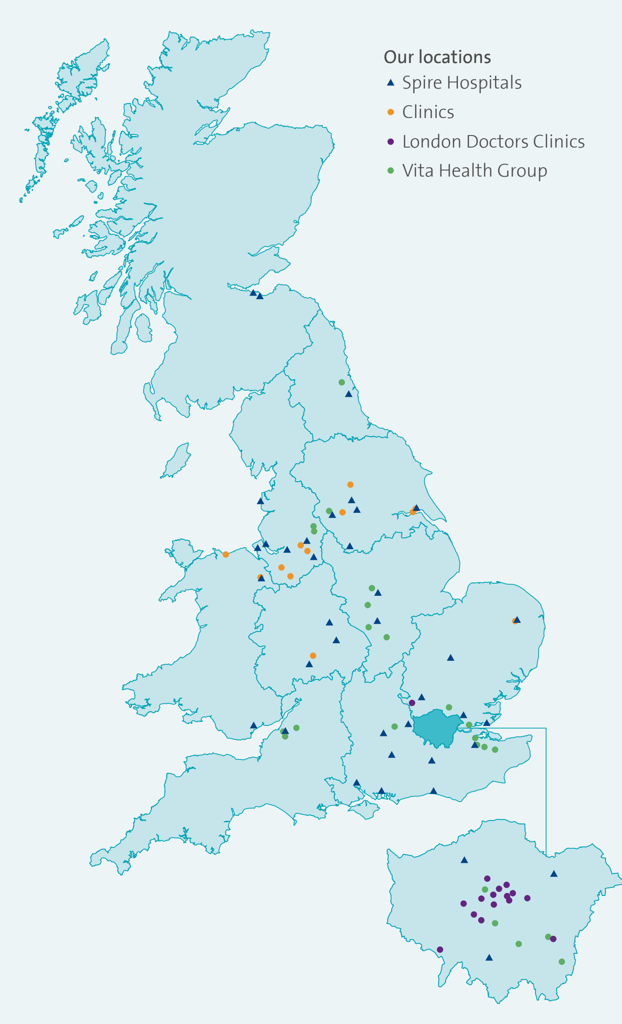
Succeeding and celebrating together


For more information see our business model on page 17

Our businesses

Where we operate

We provide people with more choice, and the opportunity to access the healthcare they need quickly and safely. Our dedicated and highly trained colleagues work hard to help people back to good health from a wide range of locations across England, Scotland and Wales.



What we deliver – our brands

Services	Hospitals	Primary Care Services						Payor			
	Hospitals	Vita Health Group	Spire Occupational Health	London Doctors Clinics	Spire GP*	Spire Mental Health	Spire Clinics*	PMI	Self-pay	NHS	Corporates
Inpatient care	✓							✓	✓	✓	
Outpatient care/referral	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Musculoskeletal (MSK) and physio	✓	✓	✓	✓			✓	✓	✓	✓	✓
Occupational health		✓	✓								✓
Mental health		✓				✓		✓	✓	✓	✓
GP services	✓			✓	✓			✓	✓		✓

* Spire GP and all clinics, except Spire Harrogate and Spire Abergele, are reported under the hospitals business in the financial statements.

The value we create

2024 highlights from our strategy

Drove hospital performance

- Invested in our hospitals business to transform care, quality and service through centralisation and digitalisation
- Increased private revenue by 3.7% to £995.2 million from £959.7 million in 2023
- £112.1 million capex investment across our estate, including solar energy and three new clinics
- New patient support centres

See page 22

Built quality

- Implemented the NHS England Patient Safety Incident Response Framework (PSIRF) across all hospital sites, ahead of NHS England requirement
- Developed our Driving Clinical Excellence in Practice (DCEP) programme
- Progressed the five-year nursing and allied health professionals strategy, aligning to directors of clinical services' objectives
- Delivered eight DAISY and 23 IRIS awards to winners across the country

See page 25

Invested in our workforce

- Introduced new reward framework for colleagues in hospitals
- Improved ability to attract and retain talent through improved in-house recruitment
- Sustained high engagement scores among colleagues during change
- Over 110 colleagues graduated from apprenticeship programmes

See page 29

Championed sustainability

- Waste management initiatives saved 2,742 tCO_2e, up from 358 tCO_2e in 2023
- Invested £10.2 million in solar panels and building management systems across the hospitals business
- 31.4% of dry mixed waste recycled up from 23.5% in 2023
- Increased female representation in senior leadership roles to 54.7% up from 52.5% in 2023

See page 32

Expanded our proposition

- Opened three new diagnostic and outpatient clinics in Abergele in north Wales, Harrogate and Norwich
- Won large new NHS talking therapies contract in Kent and Medway, and a second in Derbyshire to start in 2025
- Won new occupational health contracts, including with a prominent UK retailer
- NHS contracts in Bromley, Oldham, and Basildon and Brentwood were successfully renewed

See page 35

to deliver a strong financial performance for our shareholders and the fiscal strength we need to invest in future growth

See key numbers on pages 8 and 9

The value we create

2024 outstanding, personalised care

The care, consideration and courtesy of everyone from cleaner to consultant was outstanding. The food was excellent."

NHS patient
Spire Healthcare hospital

I was suffering from multiple health issues. After weeks of suffering the GP was able to help me recover. What stood out to me was his commitment to my recovery. He followed up to ensure the medication was working."

GP patient
London Doctors Clinic

It was a really straightforward booking process. The online doctor was lovely and easy to talk to. I was offered useful advice, easy for me to apply to my everyday life. Highly recommended."

Patient
London Doctors Clinic

I was anxious and tearful but you reassured me and came to check on me twice, which was amazing. I also had a call at home to see how I was getting on and that made me feel at ease. Every time I pressed the buzzer at night, the staff would come straight away."

Self-pay patient
Spire Healthcare hospital

The service was easy to access and the counsellor was very understanding. I felt completely at ease to say anything and not judged in any way."

Patient
Vita Health Group

From the outset, Spire Occupational Health was totally professional in the development and integration of our occupational health service."

Corporate client
Spire Occupational Health

Medical care always on hand. All the team were kind, helpful and sympathetic. From the anaesthetist to the theatre team and everyone on the ward, the care was outstanding."

Insured patient
Spire Healthcare hospital

The care given to my patients is first rate. It is a friendly open environment from all staff. The upgraded facilities give a bright modern look and have enhanced an already superb hospital in my opinion."

Consultant
Spire Healthcare hospital

The value we create

2024 financial highlights

£1,511.2m
revenue up 11.2% from £1,359.0m in 2023, up 6.2%* on a comparable basis[1]
Group

£137.5m
operating profit up 9% from £126.2m in 2023
Group

9.9%[2]
adjusted EBIT margin up 0.3 percentage points from 2023, up 0.6[2] percentage points from 2023 on a comparable basis[1]
Group

£112.1m
invested in upgrading and maintaining our estate, up from £84.4m in 2023
Group

18.0%[2]
adjusted EBITDA margin for the hospitals business up 0.4 percentage points from 2023
Hospitals

£260.0m[2]
adjusted EBITDA up 11.1% from £234.0m in 2023, up 9% on a comparable basis[1]
Hospitals

6.3p
basic earnings per share, 6.8p in 2023
Group

2.3p
dividends per share up from 2.1p in 2023
Group

£20m+
in efficiency savings delivered in 2024
Hospitals

8.2%[2]
ROCE up from 7.5% in 2023
Group

1. Refer to page 171 for an explanation of comparable basis
2. Refer to page 88 for a reconciliation of non-GAAP financial measures

The value we create

2024 highlights: changing lives

1.3m+
people cared for across the group (2023: 1.05m+)
Group

380+
apprentices in Spire Healthcare and Vita Health Group (2023: 430+)
Group

993,000
self-pay, insured and NHS patients cared for in 38 hospitals (2023: 989,300 in 39)
Hospitals

276,500
people cared for by Vita Health Group (2023: 225,380)
Primary Care Services

96,900
private GP consultations at Spire GP and London Doctors Clinic (2023: 99,000)
Primary Care Services

98%
of locations rated Good or Outstanding or the equivalent by regulators in England, Scotland and Wales (2023: 98%)
Group

6%
behind target for 2024 emissions (26,522 tCO_2e emitted, target 24,963 tCO_2e) (2023: 3% ahead)
Group

31.4%
dry mixed waste recycled at sites only (2023: 23.5%)
Hospitals

£17,000+
donated in corporate charity fundraising drive (2023: £40,000)
Hospitals

17,600
colleagues (2023: 16,800)
Group

Our model for success

Delivering sustainable shareholder value

We are delivering on our strategy and have delivered a good performance in 2024, in line with our plans. The market fundamentals are strong and we are responding to meet a changing world to deliver strong performance and investor returns.

Our strategy and business transformation programmes are designed to achieve continued momentum in top-line growth, margin improvement and ROCE improvement.

Building scale and access

We have clinical sites nationwide and are building consumer-friendly digital access to care, with online booking, referral and treatment. We are selectively investing to attract patients, meet more of their healthcare needs and expand our proposition.

Read more in Strategy on page 21

Investing in growth and high-return sectors

We deliver care across elective inpatient surgery, outpatient diagnostics, private GP services, occupational health, physiotherapy and musculoskeletal services, mental health and post-operative care, and will continue to invest in these areas. We care for patients who self-pay, are covered by PMI, are referred through the NHS and are funded by corporates.

Read more in Strategy on page 21

Our model for success continued

Focusing on efficiency and expertise

We are investing in the clinicians of the future, have improved our recruitment and retention rates and are reducing our use of agency staff. Successful transformation programmes are delivering efficiencies across the business and we are investing in robotic-assisted surgery and AI-assisted diagnostics.

Read more in Strategy on page 21

Driving quality and experience

Aiming for 100%, a total of 98% of our inspected clinical locations are rated 'Good' or 'Outstanding', or the equivalent, by regulators. In our hospitals, 97% of patients rated their experience as 'good' or 'very good' in 2024 and 84% of consultants describe the care provided to patients as 'excellent' or 'very good'. In NHS talking therapies, 94% of patients were satisfied with treatment.

Read more in Strategy on page 21

Our model for success continued

Delivering societal value

We seek to deliver value for society and aim to live our purpose.

We strive to be a sustainable company, delivering environmental, social and economic benefits. We want to operate sustainably and within our communities and society.

We seek to deliver positive benefits to our patients, colleagues, communities, practising consultants, clinicians, suppliers, partners, clients and investors.

Helping to create a healthier and more productive Britain

Everything we do aims to help people return to good health, so they can get back to work and to doing what they love; changing lives for the better. We have evolved from being purely hospital-based to an integrated healthcare provider, able to care for people's physical and mental health needs, offering GP appointments and occupational health, as well as community and hospital care. We partner with the NHS to reduce waiting lists and welcome the government's renewed partnership agreement with the independent sector.

Read more in Expanding our proposition on page 35

Providing the highest quality care

Quality and patient safety is at the heart of everything we do, and we receive excellent feedback from our patients and regulators. In 2024, 95% of patients said they felt 'cared for' or 'looked after' in our hospitals. Our clinical governance, culture and systems for overseeing the practice of consultants have been transformed in recent years, and the implementation of the Patient Safety Incident Response Framework (PSIRF) at every hospital has further strengthened learning in 2024.

Read more in Strategy on page 21

Boosting the economy

We support the UK economy by investing in skills, technology and infrastructure, boosting productivity and contributing to net zero. We run a large nurse apprenticeship programme, and around 3% of our permanent workforce – over 380 people – are apprentices. By growing and developing talented people, we are helping to address the shortage of skilled professionals in our sector. We work closely with suppliers to develop partnerships that will deliver value for the wider community as well as our people, patients and their families.

Read more in Strategy and Sustainability on pages 21 and 38

Supporting communities, global and local

We are investing in green energy and delivered another increase in recycling rates in 2024. Most hospitals are now fitted with solar panels to reduce our use of greenhouse gases for power and reduce energy consumption. We now have electric trucks and cars to reduce carbon emissions, and electric charging at our hospitals. The group raises money for local and national charities and hospitals form long-standing relationships in their communities.

Read more in Sustainability on page 38

Chief executive officer's strategic review

Performing well and confident of future prospects

Highlights

97%
of hospital patients rated their experience as 'Good' or 'Very Good' (2023: 96%)

11.2%
overall revenue increase, 6.2% on a comparable basis (2023: 13.4%)

> 2024 was a year of many achievements as we deliver on our strategy, improve quality and safety and continue to transform the business in a changing environment. I am confident of our continued growth into 2025."

Justin Ash
Chief Executive Officer

I am pleased to report a year of good progress as we transform our business. Our strategy is yielding results as Spire evolves into an integrated healthcare provider, meeting growing healthcare demand in the UK.

Our performance

Our business is performing well, with overall revenue in the year of £1,511.2 million, 11.2% up on 2023, 6.2% on a comparable basis, while adjusted EBITDA was £260.0 million, up 11.1% compared to 2023, 9% on a comparable basis. Trading and self-pay demand in hospitals has been softer, but NHS is strong and our strategy is delivering; I am pleased to report an improved hospitals business margin of 18.0% from 17.6%. Vita Health Group (VHG) is performing ahead of guidance with revenue of £107.4 million and adjusted EBITDA of £11.0 million.

We are delivering sustained financial performance by helping to meet Britain's healthcare needs, and we do that by running great hospitals and primary care services, developing our colleagues and keeping our patients at the centre of care. We do this at scale, now caring for more than 1.3 million people a year.

Not only that, we have also delivered on my four key themes for 2024:

Listen up: embracing the gift of feedback so we are open, honest and safe
Inspire kindness: having an open and honest culture
Being a change champion: driving business transformation and responding well
Making it count: delivering well as we continue to change and transform.

You'll read more about how we have done this throughout the report.

A changing environment

We are delivering our strategy while responding to a changing market; we broadened our range of services to meet more healthcare needs in our hospitals, our clinics, in the community and at home, welcomed more NHS patients and invested significantly in the hospitals business. We have improved quality and safety through various initiatives.

We have a strategic partnership with the NHS, and continue to discuss the 2025 tariff with them and government. Increases to National Insurance and minimum wage are a challenge for many businesses and will add to our cost base, but we are addressing this by accelerating our efficiency programme. We are disciplined in managing both margin and growth through acuity (complexity) mix, price, optimal use of capacity and delivery of cost savings.

Laying the ground for future delivery

We want to provide excellent primary and secondary healthcare services – continually improving the experiences of our patients, consultants and colleagues, through ongoing investment in quality and patient safety.

We recognise that we need to simplify our processes and, of course, improve our impact on the environment. This will help us to better respond to patient expectations of a faster, more digital experience; grow our margins and deliver a better experience for our patients, colleagues, partners and consultants; and benefit from advanced data capabilities, leading to better decision-making.

In 2024, the focus of our transformation programme in the hospitals business has been laying the foundations for digitalisation and operational change, securing efficiencies and preparing to initiate significant investment projects from 2025 onwards, working towards more visible transformation, modernisation and margin growth. To maximise performance in our hospitals, we are prioritising operational control, increasing capacity and maximising utilisation across our hospitals. We are leveraging our hub ways of working, such as new patient support centres in Cardiff and Seaham in Sunderland in 2024, and an expansion of the Essex site opened in 2023.

On my regular visits around the country, I heard that colleagues want our systems and processes to improve and they understand the need for change, but change is always challenging. We have learnt from this first year of significant change and our leaders and colleagues have received significant support, including new strategic management support that considers all aspects of business change and its impact, including IT. I am extremely pleased at the delivery of phase one of our transformation programme and thank all leaders and colleagues involved.

As part of our integrated, group-wide approach to healthcare, Derrick Farrell, CEO of Vita Health Group (VHG), has been appointed to lead all our primary care services and now sits on our central executive committee.

Investing for the future

In 2024 we invested £112.1 million in capex, including refurbishing five sites in Huddersfield, Cardiff, Sheffield, Edinburgh and Southampton. A significant investment has been £10.2 million on installing over 12,000 solar photovoltaic panels and building management systems across our hospital estate. This investment contributes to our sustainability goals and will reduce our demand for electricity and its cost. We continually seek ways to reduce the impact our business has on the environment and work towards our 2030 net zero target for Scope 1 and 2, and elements of Scope 3 GHG emissions. We are also focusing our efforts on waste and recycling. We have paused our purchase of renewable energy guarantees of origin (REGOs), credits which help to reduce our carbon footprint, in 2024 owing to a significant increase in cost. We would welcome further government investment in this area to enable us to achieve our net zero target.

Our cost savings programme is delivering efficiencies and customer service improvements. We secured over £20 million in cost savings in 2024 to increase shareholder returns, while moving forward at pace with the next phase that will deliver at least £80 million of cumulative benefit by 2026. We remain committed and well placed to deliver on our medium-term financial targets, but anticipate the delivery of margin targets moving back by one year, due to the additional cost pressures of national insurance, national minimum wage, energy pricing and shifting payor mix.

Empowering our colleagues

To deliver our purpose, we depend upon a dedicated and engaged workforce. We aim to provide a stimulating, diverse, inclusive and healthy working environment in which colleagues can thrive and achieve their career goals and aspirations, and so we invest in our workforce through strong recruitment, retention and development programmes.

We are also focused on getting the fundamentals right on pay, benefits and reward for our colleagues. In 2024, we implemented a new job and reward framework in our hospitals providing clarity around reward and career progression opportunities. It will help us remain competitive, recruiting at the right salary levels and paying colleagues at the right level. I am grateful to all our hospital directors and colleagues who have worked tirelessly to get this right during a year of change.

Our 2024 annual colleague survey in November for all colleagues across the hospitals business, London Doctors Clinic (LDC) and Spire Occupational Health ran concurrently with VHG's colleague survey. It shows that 76% of colleagues are proud to work for Spire (2023: 81%) with a response rate of 83% (2023: 86%). It is pleasing to broadly sustain high levels of engagement and response through a year of fast transformation.

We continue to attract talented people to join our teams and have record levels of permanent employment in the hospitals business, high retention rates of 86.1% (2023: 84.4%), and the lowest number of vacancies for some time. We have also continued to manage our use of agency staffing.

During 2024, our equity, diversity and inclusion (EDI) strategy was reviewed with a view to defining organisational-level targets to help us improve diversity and belonging within the business. I look forward to implementation during 2025. I am pleased that Spire is again listed in the FT Statista Diversity Leaders index as the leading UK healthcare company and as an FT UK Best Employer. The FTSE Woman Leaders Review and Women in Work have also recognised Spire for the involvement of senior women in our business for 2024/25.

Clinical governance, quality and safety

Relentless focus on quality and safety is integrated into every aspect of our business. We collaborate and share vital information across hospitals to improve safety and encourage continuous improvement, ensuring the right conversations are happening and lessons are learned. During 2024, we have fully implemented the Patient Safety Incident Response Framework (PSIRF), significantly improving the quality of conversations between colleagues and consultants around learning and improving. Read more on this in Building on quality on page 25 and in Clinical governance and safety on page 103.

Delivering safe care in well run, high-quality hospitals and clinics is a fundamental underpin to our ability to deliver performance. Getting care right, as evidenced by patient, colleague and consultant feedback, meets our purpose and values and results in good commercial outcomes. For these reasons, quality is an integral part of every decision we make.

In 2024, 98% of our inspected hospitals and clinics are rated 'good' or 'outstanding' or the equivalent by regulators in England, Scotland and Wales, and 100% of VHG locations are rated 'good'. One hospital in Kent remains uninspected since 2016/17. We await the review, led by Dr Penny Dash, into the future of the Care Quality Commission (CQC) and safety regulation, and have contributed to the discussions.

All our business decisions, at central and local level, have clinical input and quality at their heart. The level of care we can provide in each hospital is clearly defined: by specialty, complexity of procedures and complexity of patients.

We maintain robust standards of clinical and corporate governance in line with best practice, while promoting an open and learning culture for all colleagues and using data to support hospitals on quality, and rigorous ward-to-board assurance. We are extending our robust governance approach to newly acquired parts of the business, seeking to share learning as we integrate services and develop new ones.

At the heart of our growing primary care business is VHG which provides mental and physical health services in England. The other customer offerings are listed on page 5. I was pleased to see that VHG won the Health and Wellbeing Awards 'Best Company to Work For' award and the HealthInvestor 'Primary Care Provider of the Year' award, recognising their achievements.

We are continually improving our patient experience in the hospitals business. Our 2024 patient survey showed 97% of our hospital patients rated their experience as 'very good' or 'good', while 95% of patients said they felt 'cared for' or 'looked after' in our hospitals. Both of these are an improvement of one point on prior year. In VHG, 94% of NHS talking therapies patients were satisfied with their treatment.

We implemented a new patient experience framework in 2024, which provides a toolkit for each hospital to listen to patients, and the full implementation of PSIRF for all patients has resulted in a step change in our culture and approach to patient safety and response across our hospitals. We have also developed our driving clinical excellence in practice programme, launched in 2023, to support our registered nurses' and allied health professionals' continuing professional development.

I was thrilled that Spire was a finalist in the HSJ Patient Safety Awards in 2024 for 'Developing a Positive Safety Culture' and that we developed and led two sessions at the HSJ Patient Safety Congress, showing how we are leading the way on safety through integrating PSIRF, Quality Improvement and Freedom to Speak Up to deliver quality and safety within the right culture.

Expanding our proposition

Our primary care services are also tackling the causes of ill health and low productivity, working in partnership with the NHS and corporates to care for more people, while offering synergies to our hospital business.

In 2024, VHG won new NHS contracts in Derbyshire, and Kent and Medway, the latter being the largest talking therapies service run by a single independent provider and the former starting in 2025. Our contracts in Bromley, Oldham, and Basildon and Brentwood were renewed for an extended period.

As part of a wider primary care strategy, we plan to push our services into new geographies, prioritising areas where we already have a hospital or clinic presence, linked to a patient support centre, increasing the opportunity for downstream revenue into hospitals and the ability to serve local communities better. It was pleasing to win new contracts for occupational health, including with a prominent UK retailer.

In 2024, we opened three new day case clinics to meet growing healthcare needs in our communities and to complement our 38 hospitals, as part of a previously-announced network of clinics. The first was in Abergele, North Wales, early in 2024, and clinics in Harrogate and Norwich opened in December creating links with new consultants and joint working with Spire Leeds, Spire Methley Park, Spire Norwich, and Spire Yale, including the new diagnostic centre we opened there in 2023. In late 2024, we launched a dedicated hip and knee network with Aviva as a preferred supplier across England, Scotland and Wales.

Working with the NHS

Waiting lists have remained sizeable, with 7.46 million treatment pathways at the end of 2024. The government seeks to reduce waiting times and modernise the service and is developing a 10-year plan to improve care, which is expected in 2025. In the early days of 2025, we agreed to support a new agreement between the NHS and the independent sector to work more closely together on relationships, systems and training and to care for more NHS patients.

In 2024, we cared for over 199,500 NHS hospital patients up on 2023. We proactively welcome more NHS patients to maximise capacity and worked on this in 2024. For example, we reached an agreement with the NHS to support the Sussex Health system, helping to reduce its list of long-waiting patients by providing treatment through a group of Spire hospitals in the south of England. Most of Spire's NHS activity comes from NHS GPs via the electronic referral system (eRS), which allows patients to book appointments with providers with the shortest waits.

Leadership changes

In May 2024, I was pleased to appoint Harbant Samra as chief financial officer, taking over from Jitesh Sodha who stepped down. Harbant joined Spire Healthcare in 2018 as a group financial controller and became deputy CFO in 2022.

It was with great sorrow that we announced the death of Martin Angle, Deputy Chairman and independent Non-Executive Director in September. Martin had a distinguished career across banking, private equity and industry. He joined our board in 2019 and was chair of our audit and risk committee and a member of several other committees. I will personally miss Martin's knowledge, experience and passion for our business.

I look forward to welcoming Rebecca Harper to the new executive committee position of group corporate affairs director in April 2025.

In summary, our strategy is delivering and we have responded to a changing market with discipline. Thank you to all colleagues, consultants and leaders for their efforts and commitment during 2024. We remain confident in the combination of structural market growth, the growth potential of new primary care services, increased synergies between the two, and a continued strategic partnership with the NHS.

We are a diversified, integrated business with strong patient satisfaction and resilience for the future. In 2025, I look forward to further business transformation, the next phase of savings through operational efficiencies leading to growth, improved margin and benefits for patients and colleagues, and to contributing in even greater measure to the nation's health.

Justin Ash
Chief Executive Officer

Our business model

How we create value for the business and our stakeholders

Spire Healthcare helps people return to good health, providing more choices, quickly and safely, through our dedicated and highly trained colleagues, at a time of unprecedented healthcare demand.

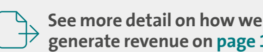
Our drivers and resources

Our purpose

Making a positive difference to people's lives through outstanding personalised care.

Our resources

- A highly motivated and skilled team of clinical and non-clinical colleagues
- GPs, consultants and other health professionals who are experts in their field
- Hospitals, critical care units, Macmillan-accredited cancer centres, clinics and consulting rooms
- Our digital infrastructure and the latest medical facilities and equipment


See more detail on how we generate revenue on page 18

What we do and key trends

Our offer: from prevention to complex care

- A nationwide network of private GPs with rapid access clinics in London
- Occupational health and employee assistance programmes
- Diagnostics
- Treatment and surgery: from orthopaedics to cancer and complex care
- Physiotherapy, recovery and rehabilitation
- NHS talking therapies and corporate and private mental health

Market trends

- Population profile
- NHS waiting lists
- Private market
- Healthcare workforce
- Economic environment
- Role for corporates

Read more on this in our market on page 19

Our objectives

Our strategy

We're helping to meet Britain's healthcare needs by running great hospitals and developing new services through the five pillars of our strategy:

- Driving hospital performance
- Building on quality
- Investing in our workforce
- Championing sustainability
- Expanding our proposition

Which together deliver strong financial performance.

We discuss our strategy in detail on page 21

Risk management

We work towards achieving our strategic objectives by identifying, quantifying and monitoring risks, in terms of consequence and likelihood.

See our risks and internal control report on page 65

Sustainability

We aim to become recognised as a leader in sustainability in our industry. Through our sustainability strategy, we seek to drive positive change in the workplace, local communities, and the environment.

See our sustainability report on page 38

The value we create

For **patients**

We provide fast access to high-quality, personalised clinical and medical care, and advice, with world-class experts

For **colleagues**

We provide high job satisfaction, a competitive reward and recognition framework, and the chance to learn, develop and grow

For **consultants**

We invest in the best people, facilities, patient safety and equipment to make Spire Healthcare the partner of choice

For **suppliers**

We provide clear policies, relationships and contracts to ensure long-term and mutually beneficial commercial arrangements.

For **private medical insurers**

We provide their members with prompt access to leading consultants, facilities and clinical teams with a strong track record on safety, quality and patient satisfaction

For the **NHS and government**

We help the NHS reduce waiting lists, work closely with the NHS centrally and in local communities, with commissioners and trusts, and provide NHS talking therapies, physiotherapy and dermatology services

For **NHS GPs**

As a critical link in referrals, we liaise closely with them and deliver training, education and information

For **corporates**

We provide their employees with access to leading clinicians, facilities, locations and virtual services to enable people to stay in or get back to work

For **regulators**

We engage with a variety of regulators to ensure compliance with the law and high standards

For **investors and lenders**

We aim to create value by delivering **strong total shareholder returns and keep them informed on all major issues**

For the **community**

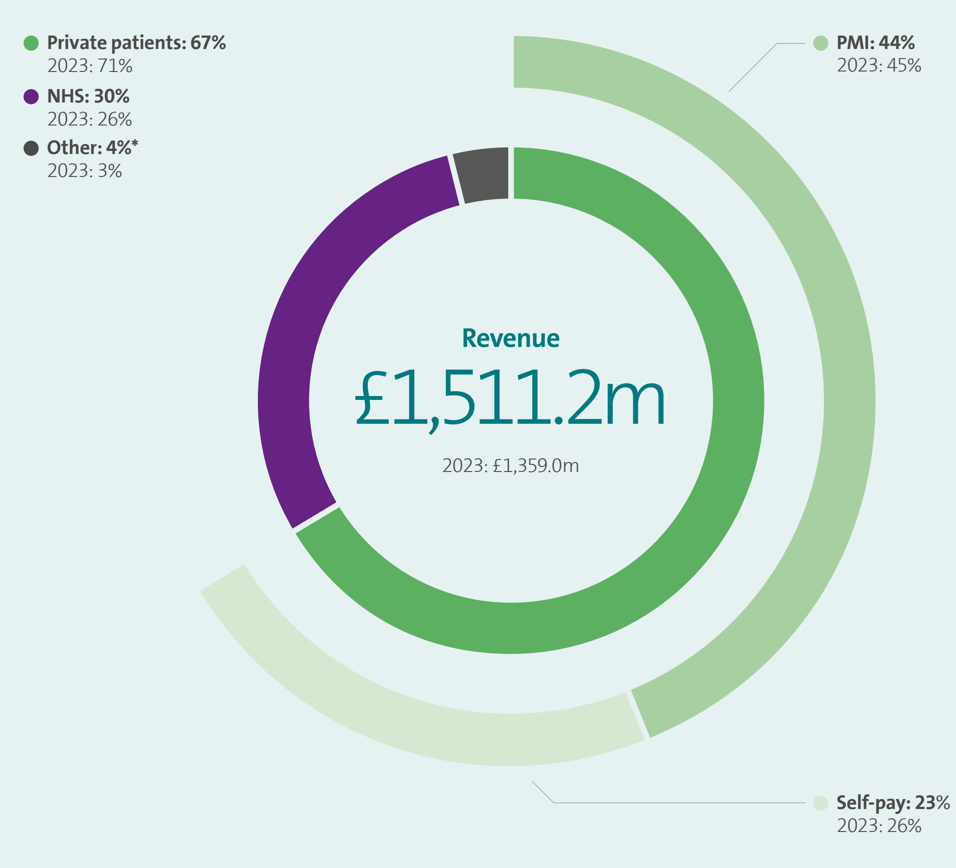
We support the UK economy and corporates by investing in skills, technology and infrastructure, while **boosting productivity by helping people** get back to work

Our business model continued

How we generate revenue

Where we generate revenue

As a leading independent healthcare group, we provide diagnostics, inpatient, day case and outpatient care to insured, self-pay and NHS patients, occupational health services to over 800 corporate clients, private GP services and physical and mental health services for the NHS.



*Other – includes corporates and non-patient revenue

How we generate revenue

Private patients

We offer assessment, diagnostic tests and treatments at our hospitals and clinics. People have a choice of when and where they are cared for, in hospitals and clinics that combine excellent clinical outcomes with 'hotel-style' levels of service.

To read more about trends in the private health market, see page 19

PMI

We have long-term contractual relationships with all the major private medical insurance (PMI) providers Aviva, AXA Health, Bupa and Vitality Health, which dominate the market. Patients' insurance covers future specified health needs, and when patients are cared for by us, agreed costs are covered by the insurer. We market a Spire-branded insurance product, inSpire, underwritten by AXA Health, which gives access to affordable private care at Spire Healthcare hospitals.

Self-pay

Where patients pay directly for their care they can directly book treatments, without the need for a GP referral. Patients pay a fixed price directly for each treatment or procedure such as a consultation, scan, surgery, mental health session, physio session or GP appointment.

NHS

We contract with the NHS to care for NHS patients, offering diagnostics, elective surgery and treatment and at our hospitals and clinics. Some work comes through block contracts, but most patients come to us directly through their NHS GP, allowing waiting patients to access care. Patients have the legal right to request NHS treatment in an independent setting and the government has agreed to promote this choice through a new agreement. Care is at the same tariff prices as local NHS trusts. The NHS agrees settlements with Spire annually for the cost of care and prices increased by 3.9% in 2024.

Through Vita Health Group (VHG), we provide talking therapies, musculoskeletal and physio services, and dermatology services for the NHS. Services are free at the point of delivery to patients, who can self-refer to services without seeing their NHS GP.

Corporates

We provide over 800 corporates with occupational health services through long-term contracts and employee assistance programmes. Our services support corporates to keep employees healthy, protect and promote good health and provide services such as health surveillance, training and mental health support. VHG has contracts with 200 corporate clients and Spire Occupational Health has over 610. We also offer a pay-as-you-go model with smaller businesses.

To read more about services for corporates, see Engagement with stakeholders on page 59

Our market

Key trends

Ongoing significant demand for safe, high-quality healthcare treatment is driving our market

The demand for healthcare in the UK remains strong – with accelerated demand for private healthcare, and the number of patients paying privately for healthcare continuing to increase.

We have a strategic partnership with the NHS and stand ready to take on more work, including increased complexity. We welcome patients exercising their right to choose where they receive treatment.

The number of people out of work in the UK due to ill health continues to increase, and with our expansion into primary care services including mental health and physiotherapy, we are confident we can help more people live healthier lives and get back to work, as well as supporting corporates to take care of their employees.

7.46 million

Patient pathways on waiting lists, down from 7.6 million in December 2023[8]

33.7 million

Working days lost to work-related illness and injury[6]

16.4 million

People in the UK now covered by a form of private health scheme, up from 13.5 million pre-pandemic[14]

1. Source: Get Britain Working White Paper, Policy Paper, 26 November 2024, www.gov.uk
2. Source: Rising ill-health and economic inactivity because of long-term sickness, UK: 2019 to 2023, ONS, 26 July 2023
3. Source: Statistics, Key figures for Great Britain (2023/24), Health and Safety Executive
4. Source: www.mind.org.uk
5. Source: The Mental Health Foundation
6. Source: Mental Health Statistics UK 2024: ForthWithLife.co.uk
7. Source: NHS England
8. Source: NHS England
9. Source: Independent Healthcare Providers Network (IHPN), 24 January 2025
14. Source: LaingBuisson

Macro trends

01 Population profile

The UK's growing and ageing population, and the prevalence of long-term conditions, are putting pressure on the UK's healthcare resources. The number of people in the UK who are economically inactive has grown to 2.8 million[1] , with those inactive due to long-term sickness on the rise since 2022.[2] In addition, 1.7 million working-aged people are suffering from a work-related illness in the UK.[3] One in four people will experience a mental health problem of some kind each year in England[4] and poor mental health is costing the economy an estimated 5% of GDP.[5]

Impact

- Total costs to Britain were around £21.6 billion in 2022/23, while in 2024, 33.7 million working days were lost due to work-related illness and injury.[6] There is an increased government spotlight on the need to get people back to work
- People continue to experience long waits to see their NHS GPs and are struggling to access community services for long-term conditions or other health issues
- In 2023, the NHS spent £217.5 million on medications to treat depression and anxiety.[7] Talking therapies are effective and confidential treatments, delivered by trained and accredited practitioners for conditions including depression and anxiety

Our response

- We are committed to delivering a range of vital healthcare services to help improve the population's health, relieve pressure on the NHS and support those with long-term ill-health
- We continue to expand our range of primary care services including our physical and mental health business, VHG, and offer a range of services covering wellbeing, musculoskeletal therapy, mental health services and NHS talking therapies

02 NHS

NHS waiting lists remain high, with 7.46 million[8] pathways although down from the all-time high of 7.8 million. In 2019, there were around 1,600 people waiting longer than a year for care; today, it is approximately 200,000, much reduced from 2023, but still much higher than before the pandemic. The 18-week waiting target has not been met for almost 10 years. Over 1.5 million patients were removed from NHS waiting lists via the private route in 2024 – at a rate of around 18,000 patients a week.[9] The new government seeks to reduce waiting lists and waiting times, move more care into the community, focus on prevention, and improve technology in the service.

Impact

- The private sector is well placed to contribute to health provision in the UK. Government and the NHS recognise the need to work with the independent sector to care for NHS patients by using its capacity. The NHS spent £2.1 billion in private hospitals in 2023, up from £1.9 billion in 2022

Our response

- Most of Spire's NHS activity comes from NHS GPs via the electronic referral system (eRS), which allows patients to book appointments with providers with the shortest waits. Tariff prices per procedure are the same as in NHS trusts
- We have a strategic partnership with the NHS and stand ready to take on more NHS work, particularly on longer-term contracts, allowing us to create capacity for diagnostics and treatment. We are contributing to the 2025/26 NHS Payment Scheme consultation
- We are engaging with NHS England on the new 10-year plan due to be published in spring 2025, and we contributed to a new concordat statement of partnership between NHSE and the independent sector

Our market continued

Structural trends

03 Private market

The value of the UK's private healthcare market rose to a record £12.4 billion in 2023[10], and while UK PMI penetration is low (c.15% of population), it is growing. Private hospital admissions for insured patients grew to record levels in 2023, with PMI established as the primary level of payment – now more popular than before COVID-19 – as more people understand the costs and benefits of PMI and more workplace schemes become available[11].

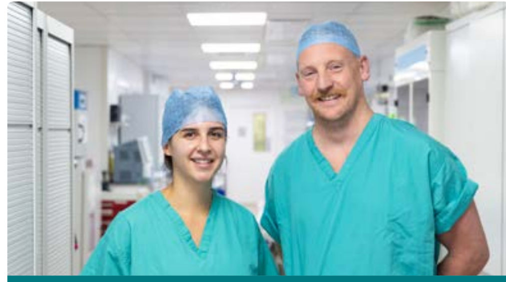
Impact

- The overall self-pay market for healthcare ceased to grow in 2024 but demand remains above pre-pandemic levels. More people are becoming insured, either through employment or direct purchase of policies

Our response

- We care for private, corporate and NHS customers through PMI, self-pay, contracts with employers and NHS referrals. Spire works with all major insurers
- We are widening our integrated healthcare offering to span hospitals and clinics, including Spire GP, LDC, Spire Mental Health and VHG alongside the hospitals business. These services can meet more needs of local patients and are increasingly part of the value chain into hospitals
- We are disciplined on pricing and acuity (complexity) mix. We have implemented price rises and managed our mix of services and choice of products

10. Source: Private Acute Healthcare Report, LaingBuisson, October 2024
11. Source: PHIN



04 Healthcare workforce

The UK healthcare sector continues to face a severe skills shortage, with healthcare professionals leaving the industry each year. The combination of recent high inflation and labour shortages is also impacting upon the profession. A long-term NHS Workforce Plan was published in summer 2023, setting out the strategic direction for the workforce in England, addressing the shortfall into the 2030s by expanding training.

Impact

- The current staff shortage in the UK's healthcare sector is creating strain on healthcare delivery and patient care
- Attracting and retaining the best people remains a challenge for all healthcare providers, both state and independent. Rates for agency staff and specialist clinical roles are rising owing to both shortages and inflation, presenting a further challenge

Our response

- We seek to be a positive contributor to the healthcare workforce. We run a large nurse apprenticeship programme and offer a range of clinical and non-clinical apprenticeships, along with many training opportunities
- In 2024, we increased the proportion of permanent colleagues, improved colleague retention to 86.1% and reduced agency spend
- We are competitive in the reward we offer colleagues, so we can attract and retain the best people, and have addressed that in our salary awards and benefits programme

05 Economic environment

Following sharp rises in inflation in the UK in 2023, the rate fell in 2024, but cost-of-living pressures are still affecting many people's disposable income. New government measures to increase national insurance rates for employers will add further pressure.

Impact

- The economic climate and financial concerns have resulted in a complex inflationary environment that affects our supply chain, our operational costs and salary expectations. However, people will continue to need healthcare
- Spire has some resilience to these pressures. Our core customer is more insulated against rising costs, while our older, self-funding customers are less likely to have borrowing costs. We have shown that three-quarters of the population could obtain access to funds to pay for care if needed[12]

Our response

- We forecast that our significant investment in solar power during 2024 will result in a reduction of energy costs by 17.9% and 3% for building management systems
- The largest rise in our costs is colleague salaries, with increases to address the cost-of-living in 2022, 2023 and 2024, and we remain a competitive employer on reward
- Our continued investment in the transformation and modernisation of the hospitals business will yield significant efficiencies to offset rising costs
- Our continued integration of primary care services and creation of new care pathways will enhance margin

12. Source: Spire Healthcare research, 2024

06 Role for corporates

Corporates are increasingly expected by their workforce to play a role in preventing, maintaining and improving the health of their employees, through PMI, occupational health and wellbeing interventions. Over 25% of businesses offer PMI and one in five are planning to introduce it over the next 12 months[13].

Impact

- 16.4 million people in the UK are now covered by some form of private health scheme, up from 13.5 million pre-pandemic[14]
- Corporates who prioritise employee health and wellbeing are better able to attract and retain top talent, and enhance overall business success

Our response

- We are advising employees and corporates to support companies to have a healthy workforce, and broadening our primary care services into adjacent markets including occupational health, musculoskeletal services and mental health
- We provide mental health and musculoskeletal services and employee assistance programmes to corporates through VHG, helping companies to support their employees to remain healthy at work or aid those off work to recover and return to their duties, thereby improving productivity for corporates
- We provide services for corporates through Spire Occupational Health and VHG; prioritising occupational health yields benefits for corporates including reduced absenteeism, improved morale and complying with the law

13. Source: PHIN
14. Source: LaingBuisson

Our strategy

Helping to meet Britain's healthcare needs

As a leading integrated healthcare provider, we bring together the best people who are dedicated to developing excellent clinical environments and delivering the highest quality care.

Informed by our purpose, structured through our business model, we have evolved our strategy with a clear direction; not only in hospitals, but also across a range of primary care services, so we can better respond to growing healthcare demand in the UK.

Our five strategic pillars are helping us to meet evolving health needs across England, Wales and Scotland. We are focused on quality and safety, investing in our workforce and expanding our proposition, as well as championing sustainability and driving hospital performance.

Over the next few pages, we describe in more detail how we have progressed on each pillar over 2024.

Driving hospital performance
Continue to grow across our existing hospital estate with increasing margins
See page 22

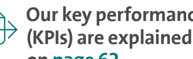
Building on quality
Maintain strong quality and safety credentials for patients and as a competitive advantage
See page 25

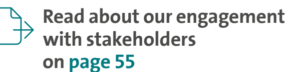
Investing in our workforce
Aspire to attract, retain and develop the most talented people to our business
See page 29

Championing sustainability
Become recognised as a leader in environmental, social and governance (ESG) in our industry
See page 32

Expanding our proposition
Selectively invest to attract patients and meet more of their healthcare needs
See page 35

to deliver a strong financial performance for our shareholders and the fiscal strength we need to invest in future growth


Our key performance indicators (KPIs) are explained in detail on page 62


Read about our engagement with stakeholders on page 55

Read about our work in sustainability on page 38

Our strategy continued

1. Driving hospital performance

Continue to grow across our existing hospital estate with increasing margins

As a preferred provider and partner, we aim to offer an outstanding patient experience in our hospitals and ensure we are easy to do business with.

Our goals

- Provide people with rapid access to diagnosis and treatment
- Provide market-leading offer to private patients, with targeted growth in NHS treatments
- Outperform the UK's overall hospital market growth
- Improve our hospital margins and maximise opportunities

Highlights and priorities

Highlights of 2024

- Invested in our hospitals business to transform care, quality and service through centralisation and digitalisation
- Increased private revenue by 3.7% to £995.2 million from £959.7 million in 2023
- £112.1 million capex investment across our estate, including solar energy and three new clinics
- New patient support centres

Priorities for 2025

- Deliver the next milestones on our digital transformation: a new consumer website and new CRM platform
- Ongoing margin enhancement towards 21% by the end of 2027
- Further savings and efficiencies to deliver a cumulative £80 million by 2026
- Delivering patient support centres to improve efficiency and service

Maximising growth in our hospitals

Performance in our hospitals business is driven by delivering a great experience for our patients, our consultants and our teams – ensuring safe care in well-run, high-quality hospitals underpins our ability to deliver results. Getting care right, as evidenced by patient, colleague and consultant feedback, results in good commercial outcomes and maximises patient safety.

Quality is therefore an integral part of every decision we make. All our business decisions, at both central and local levels, have clinical input and quality at their heart. For more see Strategy: Building on quality, on page 25.

We continue to improve our hospitals performance, ensuring all our hospitals work together to deliver our purpose of making a difference to people's lives through outstanding personalised care. We are doing this by transforming the delivery of our hospital services to our patients and our partners and investing in digitalisation.

To maximise performance in our hospitals, we are prioritising operational control, increasing capacity and maximising utilisation across our sites. Today, this remains a skilled, but manual, process that enables us to respond to issues of absence and cancellations in real time. Over the next two years, we will continue to automate these processes to further improve our resilience and performance. We have a clear plan for growth, including returning administration space to clinical use and growing our network of clinics and primary care facilities.

Delivering efficiencies

We continue to roll out our efficiencies programme to deliver material savings, efficiencies and customer service improvements, and have an upgraded ambition to deliver a cumulative £80 million in savings by 2026, working towards an adjusted EBITDA margin for hospitals of at least 21% by the end of 2027.

We had a successful year in our business transformation of the hospitals business in 2024. Our focus in 2024 was securing the foundations and making sure that we have the internal and external security in place as we initiate significant investment projects, leading to more visible transformation and modernisation from 2025. We have improved the performance of core digital platforms such as our hospital management system, and delivered digital check-in for patients using a tablet, thereby saving time. We have also developed a sophisticated integrated PMI booking tool to help most PMI patients access outpatient consultant bookings more rapidly. In addition, we have completed much of the groundwork in 2024 to launch both a new customer relationship management system and a new consumer website in 2025. We are seeing encouraging momentum from new initiatives such as workforce planning and scheduling tools, and the transformation of our pathology business, better buying and procurement.

In 2024, we expanded our first patient support centre in Essex, which services five of our biggest sites around London, and opened new sites in Cardiff and Seaham in Sunderland. The centres bring significant benefits, meeting demand for patient bookings and reducing costs. Bringing teams together centrally has improved patient response, accuracy and service, with a reduction in average handling times and improved call capture rate. It has also enabled us to re-purpose space and increase clinical capacity by reallocating to clinical use and gaining economies of scale and revenue.

Digitalisation

We are investing in digitalisation to work more efficiently; removing paper and automating repetitive manual processes. Our transformation programme will deliver savings, better experiences for our patients, teams and consultants, and give us advanced data capabilities to make better decisions and build long-term relationships – from improved appointment management, to updating electronic prescribing systems and observations that improve patient safety and clinical outcomes. By embracing data, exploring emerging AI technologies and fostering innovation across our organisation, our colleagues will be better placed to provide personalised patient care, with reliable access to the right tools.

Our move towards digital patient records will improve patient booking experiences with secure, reliable and instantly available medical records. We have also introduced automated invoice receipting for more than 50% of hospital invoices, enabling us to increase invoice volumes without increasing our team size. This process significantly reduces clinical time spent manually recording and uploading information, as well as improving patient safety and care.

Tactical deployment of Robotic Process Automation capex investment allows us to harness the power of automation and eliminate repetitive manual processes.

This programme of transformation requires careful planning and significant programme management support to ensure that we transition the hospitals business safely, without disruption to clinical care or financial outcomes.

Increasing capacity

Our hospital directors, directors of clinical services and other hospital leaders maximise physical capacity and increase utilisation at our sites. We aim to make more of the space we have, such as moving work from theatres (if it can be done in an outpatient setting) to free up valuable space for more complex work, or returning administration space to clinical use. Physical capacity is the output of several factors: theatre space, beds, outpatient capacity and imaging, and the mix and acuity of patients. We have seen significant growth in utilisation over the past three years and measure sites with unused capacity.

Patients who say their experience of our service in hospitals was 'very good' or 'good'

97%

(2023: 96%)

Source: Patient Discharge Survey 2024.

Strategy in action

Excellence in clinical innovation – reducing average length of stay

Playing our part in partnering with the NHS to improve safety and provide quality care for waiting patients is a key priority, as well as increasing capacity to support NHS elective recovery.

In 2022, we started a project to reduce the length of stay for joint replacements, freeing up more beds to enable increased capacity. We also wanted to help reduce NHS waiting lists by seeing more patients more quickly.

Since launch, hospitals have created more capacity and treated 5,000 more orthopaedic patients, leading to an increase in revenue of £1.64 million. The average length of stay reduced by 0.65 days for hip replacement and 0.63 days for knees.

Connected to this, we have achieved a 60% reduction in avoidable venous thromboembolism (VTE) over 2023 and 2024, achieved through early mobilisation and improved hydration. All our benefiting patients have spent less time in hospital, while there have been stable levels of readmissions and no reports of readmissions due to unsafe discharge in those with a shorter length of stay.

Increasing ward bed capacity has enabled us to increase the number of NHS hip and knee replacement procedures. Compared with 2022, an additional 2,600 NHS procedures were carried out in 2023 and 800 in 2024. This is an increase of 19% in 2023 and 5% in 2024.

Faster treatment through increased capacity enables patients to return to normal life, contributing to overall wellbeing and removing patients from waiting lists. The shorter length of stay has also freed up key clinicians' time, allowing increased throughput without requiring extra clinical resources, such as physiotherapists or nurses.

The new pathway has now been introduced at some NHS hospitals, sharing the learning and further reducing NHS waits within an NHS setting.

Our strategy continued

In addition, we have directly increased capacity by opening three new clinics in Abergele in North Wales, Harrogate and Norwich. These day case clinics allow more patients to be cared for out of hospital and free up space in our hospitals.

Investing in our estate

In line with our five-year refurbishment programme across our core estate, we have invested in improving many of our hospital sites in 2024, including highly-visible, patient-facing reception areas, new technology and sustainability developments to provide the best environment for our patients and colleagues and contribute to our net zero targets. Major projects have included:

- Over £4 million on major refurbishment at five sites in Huddersfield, Cardiff, Sheffield, Edinburgh and Southampton
- Over £6 million on five new MRIs and a further £8.5 million on X-ray, mammography and CT equipment
- More than £10.2 million on installing solar photovoltaic panels and building management systems (BMS) across our hospitals estate, with solar expected to lower energy consumption by 17.9% and BMS by 3%, and enhance the sustainability of facilities nationwide
- Over £2.8 million on fire safety

Tracking our success

As a multi-site business, we have adopted a 'retail' approach to tracking performance and making trading decisions to drive consistency and give clear guidance to maximise performance. We use key performance indicators to track the performance of our hospitals. Through a combination of daily reports and weekly site-led forecasts of activity and cost, we review relevant levers to understand our hospitals performance, including digital traffic and conversion, bookings, workforce planning and costs, as well as key support functions such as IT systems.

We capture use and application of data across the business and use it to improve our insight and improve processes. We review the data we submit to external bodies such as PHIN, procedure registries and PROMs, and use our data extensively for internal assurance, as well as analysing consultant intervention ratios, feeding into our key performance indicators and key patient safety metrics.

Partnering with the NHS

We believe private healthcare has an important role to play in tackling waiting lists by working in partnership with the NHS. We continue to help the NHS recover: our volume of NHS work increased again during 2024 and we saw increased NHS volumes in the second half of 2024.

We supported the former government's Elective Recovery Taskforce in 2023 and gave our support to the new agreement with the NHS in early 2025, both of which aim to reduce waiting lists by using the independent sector. A continued role for the independent sector and more choice for patients, supported by the government and freshly promoted legal rights to choice, saw more than 199,500 NHS patients in our hospitals in 2024. We continue to engage and develop our relationships with the Integrated Care Boards that bring together providers and commissioners of health and care services across geographical areas.

We have completed the sale of Spire Tunbridge Wells to the NHS; we continued to run the hospital for six months and it is now fully in NHS hands.

Services for children and young people

Children and young people are an important part of our patient mix. In 2024, we saw more than 45,000 children in our outpatient departments and cared for over 5,000 on our inpatient wards. We offer a broad range of paediatric services in a hub and spoke model with 12 hub sites offering full services and 15 spoke sites feeding in. Services range from initial consultation and diagnosis through to treatment and surgery, including general paediatric medicine, allergy, dermatology, orthopaedics, gastroenterology, and ear, nose and throat services with the latter the busiest service. We have introduced new services at some hospital sites, including cardiology and endocrinology.

"We are investing in digitalisation to work more efficiently; removing paper and automating repetitive manual processes. Our transformation programme will deliver savings and better experiences for patients, teams and consultants."

Capex investment, including solar energy and three new clinics

£112.1m

(2023: £84.4m)

Hospitals business private revenue growth 2024

+3.7%

£995,300 in 2024 (2023: £959,700)

Our strategy continued

2. Building on quality

Maintain strong quality and safety credentials for patients and as a competitive advantage

We are focused on maintaining high-quality and patient safety across the organisation, underpinned by an open, learning and quality improvement culture.

Our goals

- 100% of our inspected locations achieve 'Good' or 'Outstanding' ratings from regulators in England, Scotland and Wales
- Sector-leading patient satisfaction
- Above-average patient recorded outcomes

Highlights and priorities

Highlights of 2024

- Implemented the NHS England Patient Safety Incident Response Framework (PSIRF) across all hospital sites, ahead of NHS England requirement
- Developed our Driving Clinical Excellence in Practice (DCEP) programme
- Progressed the five-year nursing and allied health professionals strategy, aligning to directors of clinical services' objectives
- Delivered eight DAISY and 23 IRIS awards to winners across the country

Priorities for 2025

- Continue to deliver against our quality standards
- Embed our outcomes and effectiveness framework and our knowledge and learning framework
- Create a bespoke programme for all our directors of clinical services, who manage clinical quality in each hospital, on clinical excellence and leadership
- Launch new clinical tool for patient observation, eNEWS

Outstanding clinical quality

Quality underpins everything we do, with the delivery of high-quality patient care and patient safety central to operations and embedded in our purpose and culture. As an integrated healthcare provider, maintaining quality is always our priority across our hospitals and primary care services.

We aim to deliver care to the highest possible standards at all sites, all the time. This means being uncompromising on patient safety, aspiring to the highest levels of incident reporting and the lowest level of moderate and severe incidents. We work hard to support our colleagues and consultants to ensure they have the skills and facilities they need to ensure patient safety. In 2024, 98% of our inspected hospitals and clinics are rated 'Good' or 'Outstanding' or the equivalent by regulators in England, Scotland and Wales. Both Spire hospitals in Edinburgh, Spire Clare Park in Farnham and Spire Cardiff were re-rated as 'Good' or equivalent. We are still awaiting reinspection of Spire Alexandra in Kent, which has not been inspected since 2016/17. All inspected VHG locations are rated 'Good' by CQC.

We engage with patients every day to better understand their experience in our care, their outcomes, and the broader patient experience before and after they came into our care.

Delivering continuous improvement

We drive quality in the hospitals business around our own three core frameworks that encompass our approach to patient safety, patient experience, and clinical outcomes and effectiveness. We collaborate and share vital information and learning across hospitals to improve safety and encourage continuous improvement, ensuring the right conversations are happening and vital lessons are learned. We also believe it is important to create safe spaces for all our colleagues to reflect and gain insight on key matters, where they can hold professional conversations without fear of retribution; we reminded colleagues of their safety regularly in 2024.

Our strategy continued

The implementation of the new **Patient Safety Incident Response Framework (PSIRF)** across our hospitals in 2024 has resulted in a step change in our culture and approach to responding and learning from patient safety events in the hospitals business. Our hospitals implemented this for all patients in all areas, beyond our obligation for English NHS patients. PSIRF promotes a proportionate approach to responding to patient safety incidents through a robust methodology and a system of improvement, with compassionate engagement and involvement with those affected. It recommends learning from incidents, with considered responses, and supportive oversight, focused on strengthening response systems and improvement. PSIRF's impact has been far-reaching; it has transformed our approach to responding to incidents and positively affected our culture. It:

- Empowers us to review and respond to patient safety incidents with robust engagement across multidisciplinary teams, including consultants and our resident doctors
- Addresses the whole patient pathway, not just an element of care, proactively bringing together different departments, so relationships are improved
- Ensures that learning is identified faster, and actions to make change are more meaningful and effective
- Enhances the creation of a psychologically safe environment for teams to share what has happened and ensure that we learn better and faster
- Influences our approach to quality as we use all the information we gather from PSIRF to influence improvement projects

For some patients, while rare, care does not go as planned. Our PSIRF plan, published on our website, highlights the incidents for which we have an increased focus. The PSIRF process supports us to engage early and transparently with colleagues and patients, and we undertake duty of candour when required. Learnings from incidents across all hospitals and sources are collated in our quarterly learning report which is discussed at hospital, executive and board quality meetings. We support hospitals with toolkits to share learning, and also share learning outcomes across the group with 48-hour flashes, fortnightly consultant newsletters, and other means. We review our data in the context of other published data; in 2024, Spire was not an outlier for our transfers out, mortality or other key nationally published indicators. We monitor the transfer out of patients to another facility as a quality KPI, and review each transfer out to learn and spot any trends. These reviews have been significantly strengthened with the implementation of PSIRF and our transfer out rate remains very low. Spire's risk management system was upgraded in 2024 and now allows us to report NHS England patient safety events via the national system and to benchmark with all NHS providers.

Our **patient experience and engagement framework** enables our hospitals to focus on the key needs of our patients: it gives them the tools to probe their own patient data, and a toolkit for listening to patients. We rolled out this new framework across our hospitals in 2024 and internal feedback has been positive: hospital leadership teams are focused on improving patient experience and engagement by interrogating data and learning.

This framework aligns with our patient survey, which we use to understand key issues in care. We map findings from our patient survey against what we know to be important for our patients, as well as other comparable metrics such as friends and family (a metric used by the NHS). In 2024, 97% of our patients rated their experience as 'very good' or 'good', while 95% of patients said they felt 'cared for' or 'looked after' in our hospitals, both up one percentage point from 2023. In VHG, 94% of NHS talking therapies patients were satisfied with treatment, level with 2023.

As part of our patient experience and engagement framework, our hospitals hold regular patient forums to better understand specific issues raised by patients. They give us an opportunity to speak directly with our patients; they feed back on our patient literature and help to review and develop our services. Together with our surveys, this engagement helps us to identify areas for improvement and create solutions in partnership.

We are committed to learning and improving when incidents occur, including where patients are harmed as a consequence of care. Our hospital leaders attend a daily safety briefing with a standard agenda to share key developments and determine any improvements we can make. This is complemented by a weekly meeting for all central function colleagues. A fortnightly meeting for senior leaders is hospital focused and supported by a detailed weekly briefing for cascade. In February all hospitals implemented an additional safety huddle during out-of-hours working time.

Our **Quality Improvement (QI) programme** reflects our continuous improvement approach to safety and quality. We have introduced over 300 successful, locally led projects since 2022 and have delivered on our three national 2024 QI priorities:

- Reducing rates of venous thromboembolism (VTE) as a recognised complication of surgery: over 2023 and 2024, avoidable VTEs reduced by 60%, sustained using some of the PSIRF methodology
- Reducing average lengths of stay (AVLOS): in 2024, we reduced average length of stays by 0.65 days for hip replacement and 0.63 days for knees
- Improving patient experience after care: focus in 2024 on patients being clear about next steps after an appointment or on discharge

Over 2024, we have also introduced a group national tissue viability lead to support our hospitals on wound management and care and advise on procuring equipment to manage patients needing wound care. In 2025, new digital enhancements will include eNEWS and AI – enabled digital records.

We have also developed a **Knowledge and Learning framework** to improve our approach as an organisation with sustained learning. It is designed to direct the creation, implementation and evaluation of shared learning across the hospitals business, ensuring it is aligned with strategy and driving improvements in standards and care. It will be embedded in 2025.

NHS patients cared for in 38 hospitals

199,500

(2023: 200,000 in 39)

Regulatory inspections (with 5 reports published in 2024)

4

(2023: 6 inspection reports)

Freedom to speak up

We believe culture is core to a safe patient environment. We support a culture of excellence and engagement, and we place a strong focus on having a culture of openness and transparency. Ensuring our colleagues feel psychologically safe is a prerequisite for improving quality and providing safe care. We support those who may feel that they can't speak out and remind everyone that they have a voice, will be listened to, and that there is an avenue to raise concerns or ask questions. We prioritise a Freedom to Speak Up (FTSU) culture, and we are proud of our network of 239 FTSU guardians and ambassadors (both consultant and colleague) across all clinical and non-clinical locations plus 6 in VHG. A key part of our assurance and oversight is regular hospital visits across all our sites by our board and leadership teams. The guardians are championed by our chief executive officer, who meets regularly with them. He also holds colleague forums without management present at site visits to encourage openness and trust. Two of the CEO's top four initiatives for 2024 were culture-based: 'listen up' and 'inspire kindness'. We are encouraged that, in 2024 surveys, 81% of colleagues say they are comfortable speaking up. We used colleague responses and feedback alongside listening sessions to shape our speak up strategy.

We submit our FTSU data to the National Guardian's Office (NGO) quarterly to support transparency; we regularly involve the NGO in safety meetings. The chief executive also spoke at the NGO's FTSU conference in 2024 on Spire's FTSU culture. We hold our annual FTSU month in October, aligned to the NGO national campaign, to raise the profile of speaking up and of the guardian role, as does VHG.

Colleagues can submit a Freedom to Speak Up concern via risk management software, which is managed by our trained guardians. Colleagues also have access to an independent, confidential whistleblowing helpline, enabling them to raise anonymous concerns. Training in this area is mandatory for all colleagues, and for consultants who practise solely in our hospitals. Colleagues use the NGO's three training modules: 'Speak Up' training for all colleagues, 'Listen Up' and 'Follow Up' are for managers. In 2024, VHG rolled out this training and FTSU efforts are now integrated across the group with monthly meetings, and all guardians attending one group annual conference.

We have been early to introduce Spire's version of Martha's Rule, called Ask to Escalate. This provides family members with the ability to request a second opinion if they are concerned. It also supports a culture of listening.

Governance and oversight

We continue to strengthen our governance standards, assurance and board oversight, using data to support hospitals through comprehensive reporting processes. We have developed an assurance model which monitors policies and processes and identifies areas of excellence and improvement. The final level of assurance is the patient safety quality review (PSQR) process which ensures hospitals continue to provide high-quality care.

Our integrated quality assurance framework includes a clear meeting structure that enables 'ward-to-board' reporting. We have a suite of KPIs which are used at hospital, executive and board level.

A subset of KPIs are reported to the board monthly. An expanded report with a full suite of KPIs provides information, context and actions to our board (clinical governance and safety committee) and executive (safety quality and risk) quality subcommittees to support robust conversations around assurance.

The safety quality and risk committee, and clinical governance and safety committee, review all KPIs and forensically probe for themes, trends or opportunities for patient safety improvement. They scrutinise consultant performance; identify quality outliers by consultant, hospital, or procedure; ensure full compliance with our policies around multidisciplinary meetings, especially in cancer; and review specialist services such as cardiac and young people's services. They also review any learnings arising from mortality reviews and always receive a presentation from hospitals on patient safety improvement. Sub-committees of the board cover specific topics including incidents, QI, mortality, medical professional standards, VTE and data governance.

To ensure our central senior leadership teams are engaged in discussions around quality, we have introduced regular operational level safety, quality and risk (SQR) meetings that include reported data and heat maps to show performance across the business and improve assurance for senior leadership SQR meetings.

We have extended our robust governance approach to all parts of the business, including the services we provide outside of hospitals, seeking to share learning as we integrate newly acquired services and develop new ones. Our primary care services have the same reporting structures and senior leadership for VHG. London Doctors Clinic and Spire Occupational Health are now reporting into VHG.

Investing in quality

We continue to invest in colleague QI training through our QI Academy. Over 2024, we carried out 34 days of QI training, including how to talk to colleagues, engaging with patients, and handling concerns and complaints to ensure we continue to deal with all cases with compassion and care. To date, more than 15,000 colleagues have accessed QI training, either virtually or in face-to-face sessions, and we now have more than 250 QI-trained practitioners. We also deliver bespoke QI training to our medical advisory committee chairs, business unit directors, directors of clinical services, finance managers and Freedom to Speak Up guardians. The use of PSIRF has increased colleague appetite for QI training by 100% with colleagues keen to learn how to be more effective and enable lasting change.

We continue to ensure that we benchmark our quality standards against best practice, including using appropriate accreditation programmes. We have earned JAG accreditation for our endoscopy services at 14 sites; this accreditation is awarded by the Royal College of Physicians' Joint Advisory Group on Gastrointestinal Endoscopy. In addition, 15 of our 16 chemotherapy sites have Macmillan Quality Environment Mark (MQEM) accreditation, which champions cancer environments that create welcoming and friendly spaces for patients. In 2024, 35 hospitals achieved the National Joint Registry's Quality Data Provider certificate, with 25 receiving the 'gold' award (2023: 31 and 19).

We carry out patient safety quality reviews to ensure we continue to provide high-quality care throughout our hospital network.

Colleagues across the group

17,600

(2023: 16,800)

Patients who say they felt 'cared for' or 'looked after' when receiving care in hospitals

95%

(2023: 94%)
Source: Patient Discharge Survey.

Our strategy continued

Strategy in action

Investing in facilities to drive choice and quality

Spire Portsmouth Hospital has completed a £6.4 million refurbishment to expand theatre capacity, refurbish patient areas and deliver a wider range of inpatient and day case treatment options for patients.

The new facilities have increased Spire Portsmouth Hospital's overall capacity and are intended to help care for more than 1,700 additional NHS and private patients a year. Our new day case facility increases the hospital's capacity to deliver more scans and investigative treatments, while the refurbished walk-in unit provides patients with fast access to orthopaedic, ophthalmology, gynaecology and urology treatments, without the need for an anaesthetic.

Our investment into new facilities ensures we can build our services to care for more patients, increase revenue and meet changing patient demands towards shorter stays in hospital. It can also alleviate pressure on local NHS waiting lists and reduce diagnosis waiting times in the local area.

The refurbishment has also created a brighter hospital with comfortable waiting areas and patient bedrooms, ten-day case suites, and updated patient bedrooms and ensuites. The new facilities ensure a better working environment for our colleagues and brought Spire Portsmouth up-to-date for its 40th year of operating in the local community.

National Safeguarding Week is an annual campaign supported by Spire that aims to raise awareness about the importance of safeguarding and protecting adults from abuse and neglect. It brings together organisations and communities to discuss key safeguarding issues, share best practice and promote safer cultures. In November, Spire Manchester hosted the Independent Healthcare Providers Network's Safeguarding Forum.

Driving clinical excellence

Our clinical effectiveness and outcomes framework demonstrates that the care we deliver provides the desired outcome, in line with guidance and best practice. This framework covers five toolkits: national audits and registries, internal best practice, external best practice, multi-disciplinary teams, and clinical documentation. Each toolkit provides guidance and support on compliance, reporting, tools and support for our teams to ensure they are supported to deliver best practice, measure and analyse outcomes. We are rolling out this framework throughout our hospital sites and, by 2025, each hospital will have action plans to articulate outcomes and effectiveness.

Our five-year nursing and allied health professional (AHP) strategy (2023-2028) supports our nurses and AHPs to practice to high professional standards. It is structured around the core pillars of developing our workforce, delivering clinical excellence through practice and enhancing professional pride through celebration.

Our Driving Clinical Excellence in Practice programme supports our registered nurses and allied health professionals' continuing professional development and the requirements of their professional revalidation. In 2024, 350 people started the programme which is unique to Spire and is designed with the needs of patients at the centre. It reflects the needs of colleagues, their clinical competencies and incorporates lessons from incidents and themes from prior years.

> "Our hospital teams have really embraced PSIRF, engaged with it and embedded it. It's been a massive cultural shift – enabling our colleagues to make a change and make a difference."

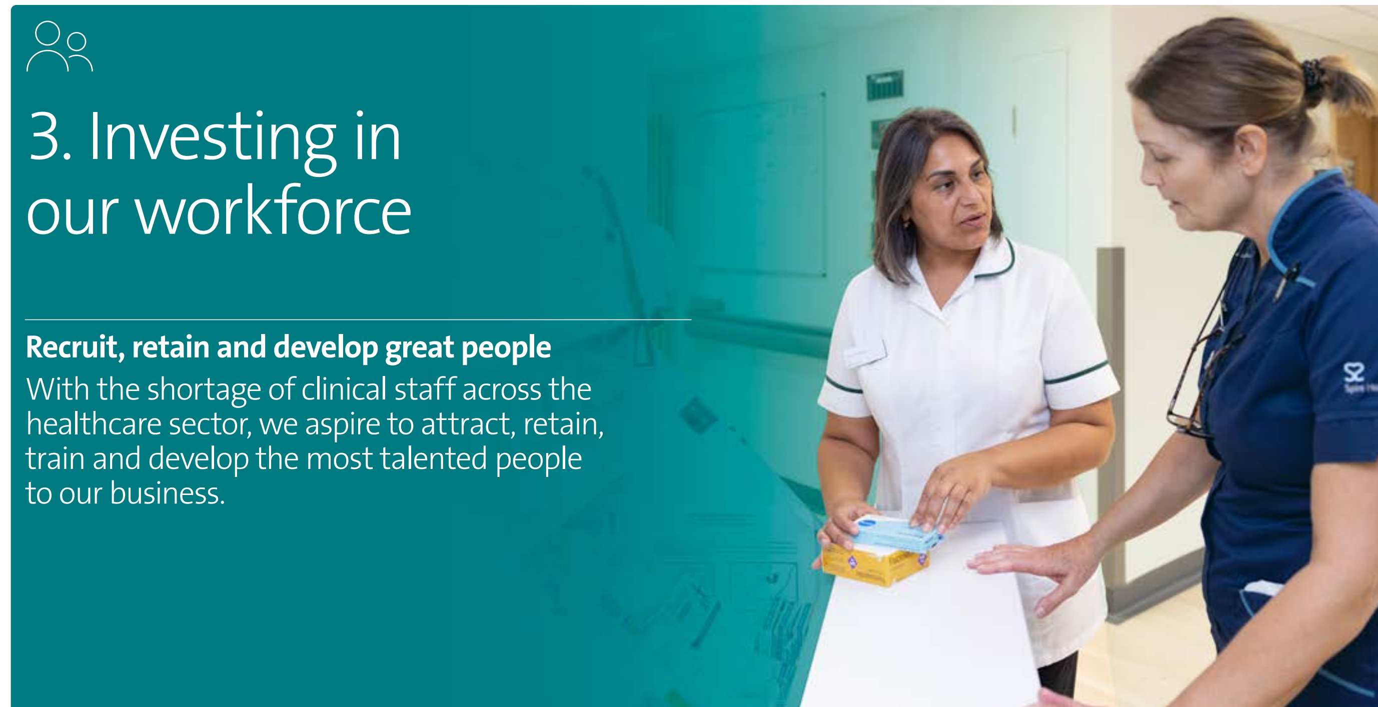
We recognise the dedication and care of clinical colleagues across Spire Healthcare hospitals who live our purpose every day. The new National Diseases Attacking the Immune System (DAISY) Awards recognise extraordinary nurses who are registered with the Nursing and Midwifery Council and rewards them for their nursing achievements. The Inclusive Recognition of Inspirational Staff (IRIS) Awards recognise all other clinical colleagues not registered with the NMC, for providing excellent care to our patients. Our colleagues can nominate each other, and we are also encouraging more patients to nominate colleagues.

We monitor excellence in our hospitals through an excellence in care delivery and safety framework to make sure colleagues are delivering the best quality care. We continue to review key safety and experience metrics thoroughly, listen to patient feedback and staff feedback, and monitor and assure around compliance.

We have introduced this professional framework, aligned with the national nursing and AHP strategy, to better understand how our colleagues are driving clinical excellence and quality within each of our hospital settings. We have standardised the objectives for all our directors of clinical services to make sure that every hospital is aligned to drive forward clinical quality and improvement, improve productivity and efficiency, and enhance quality and safety.

To read more, see the clinical governance and safety committee report on page 103

3. Investing in our workforce



Recruit, retain and develop great people

With the shortage of clinical staff across the healthcare sector, we aspire to attract, retain, train and develop the most talented people to our business.

Our goals

- Sector-leading colleague satisfaction
- Sector-leading consultant satisfaction
- Sector-leading private hospital apprenticeship programmes

Highlights and priorities

Highlights of 2024

- Introduced new reward framework for colleagues in hospitals
- Improved ability to attract and retain talent through improved in-house recruitment
- Sustained high engagement scores among colleagues during change
- Over 110 colleagues graduated from apprenticeship programmes

Priorities for 2025

- Supporting colleagues through business transformation
- Replace learning management system for all colleagues in hospitals and central functions
- Supporting development and career progression and development of colleague value proposition
- Implement updated equality, diversity and inclusion strategy

Creating a positive working environment

We recognise and value the hard work and dedication of all our colleagues – and we seek to make a positive difference to their lives. That's why investing in our workforce is a key pillar of our strategy. Our four key themes for 2024, led by our CEO, were: 'Listen up' embracing the gift of feedback, so we are open, honest and safe; 'Inspire kindness', having an open and honest culture; being a 'Change champion', so our future works better for everyone; and 'Making it count', growing our business. We aim to develop, support and protect our colleagues within a welcoming culture that is characterised by openness, respect, collaborative working, a focus on clinical safety and a spirit of continuous improvement. We drive our colleagues to be curious and to challenge each other in a professional way to seek the best patient care, and ensure safety is paramount in the care that we're providing. We know when colleague, consultant, client and patient satisfaction join up, we see better performance.

We understand the importance of having high-quality leadership in our hospitals and our board annually reviews the calibre and diversity of our leaders, and visibility of our succession pipeline. We have an agreed target for ethnic minority representation in senior management (see more in Sustainability on page 38).

We are focused on creating a positive working environment, where people feel that they can speak up, with Freedom to Speak Up guardians at all sites. We are investing in our employee experience as part of our commitment to supporting and protecting our colleagues and our business. For example, during 2024 we introduced new initiatives including our new managers programme to support colleagues in hospitals and central functions who have recently moved into a managerial role, and bespoke learning sessions to support teams across the business. In VHG, in-house mentoring sessions developed colleagues' skills, confidence and networks.

Our strategy continued

We want our colleagues to have a great work experience, and if they feel engaged, they can perform at their best. Read more on how we engage with colleagues in Sustainability on page 38.

Equity, diversity and inclusion

We believe that diversity and inclusion are core to sustaining a successful business, and we aspire to create an environment where everyone is respected and cared for, and where difference is celebrated. We want to ensure that our colleagues feel confident to bring their whole selves to work, which in turn makes us stronger as a team and a business.

In 2024, we worked towards our new equity, diversity and inclusion (EDI) strategy, examining and improving our data to better understand our colleagues, leading to improved insights into what changes should be made and to cultivate a feeling of belonging. We have identified areas that we want to focus on to either improve diversity or make positive change, and the strategy will progress in 2025.

Our network groups provide safe spaces for our diverse colleagues to discuss issues of relevance, raise awareness and influence, and include our Let's Talk LGBTQ+ network, menopause network and race equality network in the hospitals business and further networks on women, LGBTQIA+ and race equality in VHG.

We were pleased to again be listed in the FT Statista Diversity Leaders index as the leading UK healthcare company, based on a survey of 100,000 employees across Europe. For the first time we were ranked 254 by the FT UK's Best Employers 2025, of 500 companies ranked and 20,000 surveyed. We were also ranked as 4th in the FTSE 250 Women Leaders Review and in the top 100 businesses by Women in Work for senior female leaders, who also praised us for having transparent maternity policies available for job applicants. Read more on diversity in Sustainability on page 38.

Valuing and rewarding colleagues

We are focused on getting the fundamentals right on pay, benefits and reward for our colleagues. We have invested in pay and reward this year with the implementation of our new reward framework across our hospitals business, which maps all our core roles and associated salaries. The framework was shaped through listening sessions with colleagues and senior leaders. Our robust structure ensures fairness and equity, with clarity on where colleagues fit in our structure and how they are rewarded. It will also help us ensure that we remain competitive – recruiting at the right salary levels and paying colleagues at the right level.

With the ongoing cost-of-living pressures, our colleagues want clarity and certainty about their pay. That's why for all eligible colleagues we prioritised a 2.75% salary increase from September 2024, announced in May to give colleagues predictability. It should be noted that the introduction of increased national insurance contributions for employees in 2025 will add to our cost base. In 2024 we got ahead of this by increasing and accelerating our efficiencies programmes.

During a year of change, our HR colleagues gave significant support to all projects, recruiting and inducting a large number of colleagues, supporting reward framework conversations, and redeploying people into new roles during business transformation, and this will continue in 2025.

Most colleagues have access to PMI cover, and access to a comprehensive health assessment every other year. In 2024, we introduced a menopause assessment as an additional choice. We also offer a comprehensive employee assistance programme, providing confidential advice support online and via a free helpline, available 24/7 to clinical and non-clinical employees.

Mental health and wellbeing

Colleagues working in our hospitals hold emotional and challenging roles. Our network of trained volunteer mental health first aiders support colleagues at our hospital sites. In 2024, we ran new and refreshed training to ensure our first aiders have the support they need and the opportunity to acquire additional skillsets that prioritise self-care before helping their colleagues. We delivered five personal resilience courses to support colleagues to recover from adversity, stress and difficult situations. In autumn 2024, we ran a 'Kindness works here' campaign, covering colleagues' physical, emotional, mental, social and spiritual wellbeing.

Strategy in action

Investing in apprentices

Professional development is an important part of our offer to attract and retain the best people at Spire Healthcare.

In February, we appointed our first oncology support pharmacy technician at Spire Montefiore. This role runs the oncology pharmacy service with remote support, speeding up care for our patients.

It was borne from our apprenticeship programme, where we supported an apprentice through a two-year apprenticeship after four years in community pharmacy elsewhere, leading to a Level 3 Pharmacy Technician apprenticeship in June 2023, and further training with the lead oncology pharmacist in 2024.

At Spire, we encourage employees to share our value of investing in the future, by investing in their own learning and development to build their skills for the future. By growing and developing talented people, we are helping to address the shortage of skilled professionals in the health sector. We offer apprenticeships across the country in a range of skills including nursing, biomedical science, physiotherapy, laboratory work and engineering.

Some of our apprentices are school leavers, others join us mid-career, and a significant group already work for Spire but seek to improve and develop with us. Read more in Sustainability on page 45.

Bringing recruitment in-house

Our workforce is a critical enabler to deliver our strategy, and resourcing well remains important to building capacity across our services. We brought resourcing in-house in 2023, and over 2024 fully realised the benefits of developing and managing our own recruitment capability. While vacancies are a continuing challenge across the healthcare sector, notably for specialist clinical roles, the past year has seen high rates of fulfilment with reduced turnover.

We continue to attract talented people to join our teams, and actively promote people to new roles from within. We have record levels of permanent employment in the hospitals business, high retention rates of 86.1% (2023: 84.4%), and the lowest number of vacancies for some time, with a 20% increase in the number of permanent offers made to new colleagues, compared to 2023. This drives continuity of care to our patients and reduces our reliance on agency, leading to improvements in safety, quality and patient experience.

Agency costs remain a key area to manage for all healthcare providers, and rates for specialist skills have increased, but we are controlling them well. We have a single agency booking system, with a master agreement in place. This helps us to manage our agencies and see all costs up front, while retaining necessary flexibility for our workforce.

Working with consultants

Our practising consultant partners operate as self-employed practitioners in our hospitals across all medical and surgical disciplines. Each hospital's medical advisory committee (MAC) meets quarterly to ensure proper, safe, efficient and ethical medical use of the hospital. In addition, the MAC chair meets regularly with the hospital director.

It is important that we engage with consultants and make it easy for them to do business with us, not only so they understand our quality standards and how we wish care to be delivered, but also so we can support them as they develop their business. Over 2024, we spent time listening to them and understanding the consultant journey – from first referral to patient discharge. In summer 2024, we introduced a new consultant induction handbook and in-person consultant private practice development sessions to support those new to private practice and ensure that they are clear on their responsibilities when practising with us; both developments have received positive feedback and ensure a national approach.

Our annual consultant survey in 2024 showed that 84% of consultants now state that the care provided in hospitals is 'very good' or 'excellent' (2023: 83%). The percentage of consultants rating the quality of service provided to them by our hospitals as 'very good' or 'excellent' is 70% (2023: 69%). We use findings from the consultant survey for each hospital leadership team to develop action plans.

Absence and turnover

Managing absence and turnover supports our colleagues' wellbeing, is essential to maintaining a stable and productive workforce, and ensures continuity of care for patients. We use data to flex our workforce and manage capacity and resilience.

Absence rates in the hospitals business were level with 2023, though short-term absence continued to decline. The overall rate of absence was 4.7%. Our monthly turnover rate continued to reduce, to 13.3% (2023: 15.1%), with 6.7% fewer leavers in 2024. The highest recorded reasons for leaving are changes in personal circumstances, career progression and retirement; our focus continues to be on career development and flexible working solutions. The market for talented people remains competitive, with demand for nurses particularly high.

Absence rose slightly at Vita Health Group during 2024 with an overall rate of absence of 3.7% (3.6% in 2023). Turnover fell from 23.5% in 2023 to 18.3% in 2024. Absence at The Doctors Clinic Group during 2024 was 1.65% overall (1.2% in 2023), and turnover was 45% (46% in 2023).

Read more in Sustainability on page 38

> "We are focused on creating a positive working environment, where people feel they can speak up, and we are investing in our employee experience as part of our commitment to supporting and protecting our colleagues and our business."

Colleagues proud to work for Spire Healthcare

76%

(2023: 81%)
Spire Healthcare annual survey 2024
(Spire Healthcare Limited and The Doctors Clinic Group).

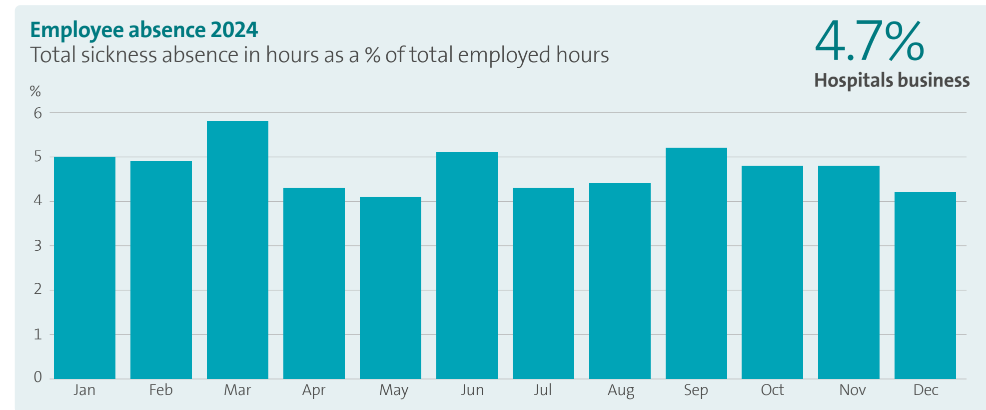
Consultants who describe the care provided to patients in hospitals as 'excellent' or 'very good'

84%

(2023: 83%)
Spire Healthcare consultant survey 2024.

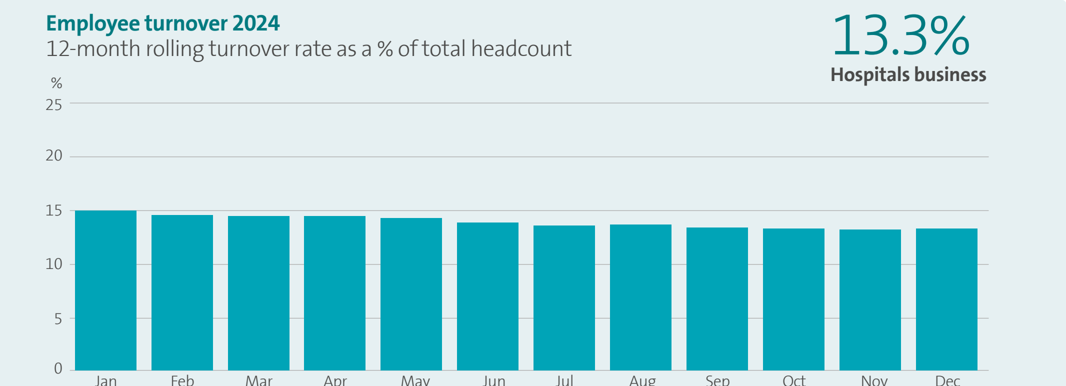
Employee absence 2024
Total sickness absence in hours as a % of total employed hours

4.7%
Hospitals business



Employee turnover 2024
12-month rolling turnover rate as a % of total headcount

13.3%
Hospitals business



Our strategy continued

4. Championing sustainability

Become recognised as a leader in sustainability in our industry

We will deliver on our ambition to be a sustainability leader by focusing on our purpose, ‘making a positive difference to people’s lives through outstanding personalised care,’ and seek to create lasting economic and social value through collaborating with our stakeholders.

Our goals

– Leading the independent sector in being carbon neutral by 2030
– Contributor to Britain’s healthcare workforce and a diverse employer
– Protect and manage all sensitive data
– Reduction in waste and improved recycling

Highlights and priorities

Highlights of 2024

– Waste management initiatives saved 2,742 tCO_2e (2023: 358 tCO_2e)
– Investment of £10.2 million in solar panels and building management systems across the hospitals business
– 31.4% of dry mixed waste recycled (2023: 23.5%)
– Increased female representation in senior leadership roles to 54.7% (2023: 52.5%)

Priorities for 2025

– Refresh of sustainability goals to better reflect the whole group
– Refresh carbon reduction targets
– Increase recycling rates
– Better understanding of diversity, inclusion and belonging to improve patient and colleague experience

Championing sustainability

Sustainability is a core component of Spire Healthcare’s strategy and operations. By managing sustainability successfully, we aim to create lasting social economic value. Our ability to succeed today and plan for tomorrow depends on us being able to positively contribute towards enhancing the world for current and future generations.

We have an important societal role to play as our delivery of people’s care contributes to the health of the nation, and benefits society. As we execute our strategy, we seek to take a long-term view, whether through the investments we make in our colleagues, hospitals, clinics and services, or our interactions with the communities that we serve.

We aim to develop a business that is fit for purpose now and capable of providing lasting impact in the future. We believe that acting conscientiously as a business and investing responsibly to achieve positive social and environmental outcomes, are critical to the long-term success of the group.

Our sustainability strategy charts our progressive journey from risk management to providing social value and driving opportunities for sustainable growth. We actively collaborate with our stakeholders, including patients, colleagues, consultants, local communities and partners, to enrich lives and be a net contributor to society, not just through the services we provide, but in everything we do. This includes challenging our colleagues and the people we work with to factor sustainability into everything they do.

Our ambition, through our sustainability strategy*, is to become recognised as a leader in sustainability in our industry and we are implementing this through our three-pronged sustainability strategy, outlined on page 33.

* The sustainability strategy was written for the hospitals business. We anticipate working to bring the rest of the group under the same plan in 2025.

Our strategy continued

Respect the environment
We are committed to minimising the environmental impact of our operations and maintaining the group's resilience to environmental risks and impacts.

Engage our people and communities
We are a people business. By hiring talented people and providing an environment in which to grow and develop their careers, our patients and the communities with whom we interact, and society at large, will benefit.

Operate responsibly
We aim to operate to the highest standards in everything we do, ensuring honesty, integrity, proper governance and compliance at all times. We promote an ethical culture across the group.

Principles

- Growing a profitable, successful, robust and, ultimately, sustainable company, and being a net contributor to society are not mutually exclusive goals
- Need for a clear sense of purpose, consistent values and a persistent desire to engage with and deliver for a broad set of stakeholders

6%

Behind 2024 target emissions – 26,522 tCO2e emitted, target 24,963 tCO2e (2023: 3% ahead)
Report on CO_2 emissions by SE First for Spire Healthcare.

How we manage sustainability
Responsibility for approving Spire Healthcare's sustainability strategy and overseeing its delivery rests with the board of directors. Regular progress updates are provided at board meetings. Our Chief Financial Officer, Harbant Samra, oversees delivery of the sustainability strategy at a business level, while our executive committee tracks progress towards the group's sustainability targets on an ongoing basis throughout the year.

Our cross-functional internal sustainability committee brings together six members from across the business. The sustainability committee reports to the executive committee and acts with delegated authority. It meets quarterly to share progress on delivering actions and meeting targets and explore initiatives that will accelerate our progress and identify associated risks and opportunities.

The main roles and responsibilities of the sustainability committee are to:

1. Oversee, review and advise the executive committee on the company's strategies, objectives and commitments related to sustainability and environmental, social and governance (ESG) factors

2. Oversee, review and recommend changes to Spire Healthcare's sustainability-related goals, objectives, commitments and key performance indicators and monitor our progress against them

During 2024, the committee was reviewed and slimmed down from 15 members to six to improve accountability and decision-making. Late in 2024, it agreed to review our 17 goals; a refreshed set of goals, better reflecting activities across the group and the activities of VHG, Spire OH and LDC, and more integrated with our strategy, will be agreed in 2025.

Read more about sustainability and our goals, progress and KPIs in our sustainability report on page 38

Strategy in action

Investing in solar to reduce emissions

During 2024, we began the installation of over 12,000 solar photovoltaic panels at our 38 hospitals across England, Wales and Scotland, as part of our decarbonisation strategy.

Backed by an investment of £10.2 million in both the panels and building management systems, we expect the solar panels to significantly lower energy consumption and enhance the sustainability of facilities nationwide. We aim to achieve net zero carbon emissions (Scope 1 and 2), and elements of Scope 3 by 2030.

Spire Healthcare was the first independent sector healthcare provider in the UK to commit to becoming carbon neutral by 2030. With energy costs expected to remain high for the foreseeable future, and with our drive to become a recognised leader in sustainability, investing in solar not only makes sound financial sense, but is also a key part of our 10-year carbon reduction roadmap. This substantial investment underscores Spire's dedication in supporting renewable energy sources.

The installation of solar panels was mostly complete at the end of 2024 and will reduce our hospital estate's combined annual carbon footprint by approximately 994 tonnes, the equivalent of:

- planting 39,700 trees, or
- taking 370 medium-sized cars off the road or
- flying from London to Sydney over 220 times

Spire Murrayfield in Wirral was the first Spire hospital to have solar technology installed, with more than 400 panels installed on the roof and in the grounds of the hospital. The 400 panels are expected to generate 15% of the hospital's annual electrical needs.

Our strategy continued

Respect the environment

We continually seek ways to reduce the impact our business has on the environment. We have annual carbon emissions targets and are working towards reducing our carbon emissions to meet our 10-year plan to reach net zero by 2030. We also focus our efforts on waste and recycling, including reducing the use of single-use plastics, finding ways to reuse our single-use instruments and reducing the number of disposable gloves we use. We are doing all of this while working with suppliers to align goals, to ensure we work together to develop healthcare in sympathy with a sustainable planet. As an example, in 2024, waste management initiatives saved 2,742 tonnes of CO_2 (2023: 358 tonnes). This is equivalent to: 9,475 trees planted each year, or 1,028 cars off the road, or 1,683 houses powered each year.

Our journey towards achieving net zero carbon by 2030 is progressing, and in 2024 we were just short of our target, coming in 6% under our goal. The sustainability committee intend to review all 17 sustainability goals in 2025 and review the net zero plan in light of changing external factors. We have paused our purchase of renewable energy guarantees of origin in 2024 owing to the significant increase in cost. Government policy in supporting the decarbonisation of the National Grid, and degassification of heating systems, will be critical to enable us to achieve our net zero target.

We invested £10.2 million in solar energy and building management systems, and have increased the amount of dry mixed waste we recycle at hospital sites to 31.4% (2023: 23.5%), with most domestic waste now diverted from landfill and used for renewable energy, reused or recycled. All our sites now manage food and glass recycling.

Engage our people and communities

To deliver our purpose, we need a dedicated and engaged workforce. We aim to provide a stimulating, diverse, inclusive and healthy working environment in which colleagues can thrive and achieve their career goals and aspirations, and so we invest in our workforce through strong recruitment, retention and development programmes.

Our overall median gender pay gap in Spire Healthcare Limited is 11.6% in 2024 (2023: 9.2%) and the mean is 16.2% (2023: 17.7%). Gender pay reflects the structure of our workforce and the differences in the balance of male and female workers within the wider healthcare sector. We understand and value the benefits that diversity can bring across all levels of the organisation. Having a visibly diverse leadership fosters a culture of inclusion that both attracts a broader talent pool, and allows our future talent to recognise that progression is possible to senior leadership roles. We are taking a number of positive steps to invest in, and provide development opportunities for, our female colleagues to progress into senior roles and to help reduce the gender pay gap. These efforts are underpinned by a targeted talent pipeline strategy, designed to identify, develop and support female colleagues at all levels. We are also embedding equity, diversity and inclusion across the group, with active colleague-led networks for sexuality, race and mental health and a new EDI strategy.

Alongside expanding our healthcare services, we also fundraise throughout the year, including during our annual charity drive each summer, during which our teams can choose to support our chosen company charity or a local cause. Our charity drive included bike rides, fun runs, book and cake sales, and walks.

Locally, our teams supported high-profile fundraising events in 2024 such as the Macmillan Cancer Support coffee mornings and Breast Cancer Now's 'Wear it Pink' day, alongside informal local activities. Our dedicated charity committee, which includes representatives from across the business, help design and coordinate our fundraising initiatives and in 2024 introduced 'grants' to support local teams' charity efforts. The committee also began to offer fundraising donations for individuals undertaking personal charity challenges. The committee plans to expand these initiatives in 2025. To promote services to 'hard-to-reach' patient groups, our VHG colleagues work closely with voluntary sector partners to stimulate referrals and bring services to supermarkets, libraries and community centres through a network of partnership liaison officers. They seek to enable equitable access to services, including those who are underrepresented and face additional barriers.

Operate responsibly

We have a relentless focus on delivering healthcare to the highest standards and prioritise patient safety at all times. We aim to maintain robust standards of clinical and corporate governance in line with best practice, while promoting an open and learning culture for all colleagues. Operating responsibly also requires strict compliance with the law. We continue to monitor all aspects of the group's operations to ensure we comply with all applicable laws, including competition law, anti-bribery law, anti-tax evasion facilitation law, healthcare regulations and data protection law.

Read more on our 17 sustainability goals on page 38

Read more about our diversity and people initiatives in sustainability from page 45 and Investing in our workforce on page 29

Dry mixed recycling rate for hospital sites only

31.4%

(2023: 23.5%)
Source: Spire Healthcare waste report 2024.

Female representation at executive committee and board level combined

47%

(2023: 47%)
Source: Spire Healthcare data.

5. Expanding our proposition

Selectively invest to attract patients and meet more of their healthcare needs

Expanding our proposition enables us to meet changing demands for healthcare, reach a wider target market, and provide a broader service to patients and the public.

Our goals

- Develop the group as an innovative integrated healthcare business
- Build new revenue and profit streams by building and acquiring new services, as well as partnering to expand our proposition
- Meet more of Britain's healthcare needs with a broader service

Highlights and priorities

Highlights of 2024

- Opened three new diagnostic and outpatient clinics in Abergele in north Wales, Harrogate and Norwich
- Won a large new NHS talking therapies contract in Kent and Medway, and a second in Derbyshire to start in 2025
- Won new occupational health contracts, including with a prominent UK retailer
- NHS contracts in Bromley, Oldham, and Basildon and Brentwood were successfully renewed

Priorities for 2025

- Continue to realise the benefits of an integrated primary and secondary healthcare business to improve our patient offering, experience and pathway
- Harness synergies between acquired primary care services and hospitals to create integrated value
- Expand our national footprint of new diagnostic and outpatient clinics
- Grow our services for corporates to help people stay healthy and safe, and to get back to work

An integrated healthcare provider

We offer localised care through a combination of primary and secondary healthcare services when and where people need them – including private GP consultations, occupational health, musculoskeletal treatment, and NHS talking therapies services. We aim to care for people in new ways, in new locations and at more stages in their care pathway, and meet more of their healthcare needs.

Our primary care services are tackling the causes of ill health and low productivity, working in partnership with the NHS to care for more people, while offering synergies to our hospital business. More employers or corporates are seeking to support their employees' health and wellbeing, with a preventative approach that addresses health issues before they become a major concern. Early intervention is an increasingly important aspect of healthcare, and we believe Spire Healthcare can make a significant contribution.

Management structure

As part of our integrated, group-wide approach to healthcare, Derrick Farrell, CEO of Vita Health Group (VHG), has been appointed to lead all our primary care services and now sits on our central executive committee. In 2024, a central management team was formed to run primary care services with work during the year to align cultures and priorities across our new acquisitions from 2022-2024, and with the hospitals business.

Occupational health

800+

corporate clients through Spire Occupational Health and Vita Health Group (2023: 800+)

Integrated healthcare provider

8%

of our revenue is now from primary care services (2023: 4%)

Vita Health Group (VHG)

At the heart of our primary care services is VHG, a major provider of mental and physical health services in England. Through this group, we provide NHS outpatient mental health talking therapies, musculoskeletal (MSK) and dermatology services, with operational hubs in London and six regional centres in Bristol, Orpington, Oldham, Leicestershire, Nottingham and Newcastle. Approximately 75% of the business provides care for NHS patients and 25% for patients covered by employer schemes or PMI.

We provide MSK services to NHS, private and corporate patients, and work with over 500 companies to help their workforce stay fit and healthy. Our physical health services range from physiotherapy to exercise classes and treatments, such as acupuncture and injection therapy, while mental health services include cognitive behavioural therapy (CBT), guided self-help and group therapy.

NHS talking therapies are effective and confidential treatments for conditions including depression and anxiety. Unlike our hospital services, this area of our business operates through long-term contracts, giving a high degree of revenue visibility. We work with 16 NHS integrated care boards. We also offer counselling services to the corporate and occupational health markets.

The core quality metric for all our services is recovery: whether our patients have recovered to the extent that their issues allow a return to their usual activities. NHS talking therapies are above the national NHS target of 50% at 53.1% for 2024.

In 2024, VHG won and mobilised a new NHS talking therapies contract in Kent and Medway, worth £70 million over the life of the contract. Another was won in Derbyshire which will start in 2025. Contracts in Bromley, Oldham, and Basildon and Brentwood were renewed through 2025 and VHG's financial results are ahead of plan. We continue to push services into new geographies, prioritising areas where we already have a hospital or clinic presence, increasing the opportunity for downstream revenue into hospitals.

In 2025, we will continue to link more VHG services with our digitalisation programme in hospitals and in our customers' journeys, and accelerate hub working, making Spire more efficient so we can continue to deliver on our purpose.

Spire Mental Health

In 2024, we launched Spire Mental Health, which harnesses the expertise of our experienced and accredited mental health therapists in VHG, to give self-pay patients confidential access to virtual cognitive behavioural therapy and counselling. Patients can gain fast access to treatment and book and pay online without a GP referral.

Spire Clinics

Our new diagnostic and outpatient day case clinics carry out lower complexity care that doesn't require an overnight stay, enabling us to see patients in the correct setting for their care, and free up space for more complex care, meet the healthcare needs of more people and build relationships with new consultants. Every clinic offers Spire GP services.

We have a pipeline of clinic openings and in 2024, we opened new clinics in Abergele, north Wales, Harrogate and Norwich. The Abergele clinic provides patients with fast access to diagnostic services and treatments such as ophthalmology, dermatology and gynaecology, and works closely with Spire Yale in Wrexham and Spire Wirral. Our new clinics in Harrogate and Norwich opened in December 2024 and offer a variety of services, including a new MRI in Harrogate in early 2025. Patients needing more complex care can be referred to Spire Leeds or Spire Norwich. More than five new clinics are in development.

Strategy in action

Increasing capacity and broadening services

In December, we opened Spire Healthcare Harrogate Clinic to provide day surgery treatments and minor orthopaedic procedures, Spire GP services and X-ray and ultrasound diagnostics.

The clinic will deliver up to 1,500 operations every year to patients who do not require an overnight stay. This £13.5 million investment provides people across North Yorkshire faster access to a range of surgical treatments, as well as the ability to select a consultant and treatment time. People needing more complex care or treatment that requires an overnight stay can be referred to Spire Leeds.

This is an important milestone in broadening our services, providing local people fast access to outstanding personalised care in their own community. Harrogate clinic is part of a network of new clinics to complement our 38 hospitals across England, Scotland and Wales. Spire Abergele Clinic in North Wales opened in March, and our Spire Ella May Barnes Clinic in Norwich welcomed its first patient in early December.

Special focus has been given to ensure the comfort and safety of patients within the warm and inviting environment of Harrogate Clinic. Clinical areas comprise GP and diagnostic suites, a minor procedure area, and a comfortable discharge suite.

Spire Occupational Health

Spire Occupational Health offers services to over 600 corporate clients throughout the UK. We enhance the health, safety and productivity of employees by helping to prevent ill health at work, and proactively supporting mental and physical wellbeing. In 2024 we won new contracts, including one with a prominent UK retailer.

In line with operational focus in our hospitals division, we centralised operations and streamlined processes in 2024. We are focused on maintaining the highest standards of clinical excellence and successfully renewed our SEQOHS accreditation in 2024.

We are actively exploring opportunities for marketplace consolidation, guided by our commitment to identifying the right partnerships at the opportune moment and at the right price. We are also seeking to streamline our offering to corporates in 2025, seeking synergies between Spire Occupational Health and VHG, allowing us to offer advice to employers and employees, and to then care for and provide the right treatment options for that employee as a patient.

Our private GP services

Our nationwide private GP network has 16 rapid-access clinics in central and greater London, delivering around 8,000 private GP appointments each month. Offering same-day private GP appointments, our consulting rooms provide health screens, blood tests and other GP services, and provide a seven-day service with a variety of appointment lengths and online options. Three locations relocated to improved premises in 2024 – Kings Cross, Liverpool Street and London Bridge. The trading position for London Doctors Clinic (LDC) still shows a small loss for 2024; improvements in 2025 will result from bringing Spire GP and LDC under a single management structure.

Spire GP is available in all our 38 hospitals, providing patients with 30-minute GP appointments and a fast way to access the diagnoses and treatments we offer in our hospitals.

Growth and synergies

As we integrate our healthcare offerings, we expect to accelerate the benefits of offering both primary and secondary care services to deliver a more joined-up patient pathway. We have the ability to identify a problem, provide different levels of in and outpatient treatment, carry out potential surgery and restore patients back to health through rehabilitation. For example, we now offer MSK services, covering triage, community-based physiotherapy, pain management and conditioning, through to diagnostic consultant-led services, surgical interventions and rehabilitation.

To drive more patients to our primary care services, we are addressing key geographical areas and creating a hub model for local regions, as well as building our virtual service hubs, to ensure we offer a complementary proposition with the right services in the right place. In 2024 we opened new patient support centres in Cardiff and Seaham in Sunderland, in conjunction with an expanded centre in Essex; this will support integration of primary and secondary offerings.

We are identifying good synergies to develop our primary care services, especially in referrals and corporate relationships. Our strategy to grow our primary care services includes:

- Leveraging the combination of our services to provide a group platform for growth, to meet customer demand and create new offerings
- Building an exceptional team and optimising our operations to meet the evolving needs of our patients, while delivering improved overall margins
- Centralising operations and streamlining processes to enhance service delivery and cost savings
- Expanding into new services, notably in MSK
- Exploring opportunities for marketplace consolidation, guided by our commitment to the right partnerships at the opportune moment and at the right price

Private GP consultations in 2024

96,900

36,324 Spire GP, 60,598 LDC
(2023: 35,798 Spire GP, 63,270 LDC)
Spire Healthcare data

Patients cared for by Vita Health Group

276,500

(2023: 225,380)
Vita Health Group data

Sustainability

We are a progressive, sustainable business

We want to become recognised as a leader in sustainability in our industry. Through our sustainability strategy we seek to create value in the workplace, our local communities and the environment.

Our sustainability goals, timelines and KPIs

Respect the environment

1	Attain net zero carbon status by the end of 2030 – includes carbon emissions, energy use and capital investment	p39
2	Manage our waste more efficiently while minimising detrimental effects to our planet	p42
3	Undertake a comprehensive review of climate risk across our operations	p43
4	Identify opportunities to reduce use of single-use plastics	p43
5	Identify and act on water-saving opportunities	p44

Engage our people and communities

6	Be a contributor to the UK's healthcare workforce through innovative programmes	p45
7	Take action to ensure that the ethnic diversity of Spire Healthcare's leadership reflects, or is ahead of, the overall ethnic diversity of the business as a whole	p46
8	Achieve a balance of at least 40% female representation at board and executive committee level by 2025	p47
9	Further reduce gender pay gap among Spire Healthcare colleagues	p48
10	Maintain an overall colleague engagement score of at least 80%	p49
11	Build strong connections between Spire hospitals and local communities	p50

Operate responsibly

12	Target 'Good'/'Outstanding' CQC scores across all our hospitals (or equivalent)	p51
13	All Spire Healthcare hospitals to achieve a rating of at least 80% across colleague experience, patient experience and consultant experience	p51
14	Maintain robust standards of clinical and corporate governance in line with best practice	p52
15	Promote an open and learning culture	p52
16	Further develop our approach to controls around modern slavery	p53
17	Maintain and strengthen information governance and data security	p54

* The sustainability strategy was written for the hospitals business. We anticipate working to bring the rest of the group under the same plan in 2025

Group

Respect the environment

Attain net zero carbon status by the end of 2030 – includes carbon emissions, energy use and capital investment

Timeline
End 2030

KPI
Target: tCO_2e emissions in line with our decarbonisation plan – 6.2% behind target (2023: 3% ahead of target)

Initiatives
- Installation of PV solar panels on all hospitals
- Optimisation of Building Management Systems (BMS)

1

Progress in 2024

In 2024, we have invested £10.2 million on installing PV solar panels and building management systems throughout our hospitals estate, reduced our targeted emissions from our baseline year of 2019 by 24%, but have paused our purchase of renewable energy guarantees of origin (REGOs) owing to the significant increase in cost. However, we remain committed to our goal of attaining net zero status by 2030. We welcome the recent announcement by the National Grid to double the transmission capacity of the UK's electricity grid with backing from the UK government. Government policy in supporting the decarbonisation of the National Grid, and degassification of heating systems, will be critical to enable us to achieve our net zero target.

Our 10-year carbon reduction target

Using 2019 as a base year, we have set ourselves emission reduction targets out to 2030. Our base year emissions were 34,910 tCO_2e. The emissions covered by our target reporting include all Scope 1 and Scope 2 emissions, as well as Scope 3 emissions from air and rail travel. These are the emissions we control (the Spire Healthcare Carbon Footprint).

In 2024, we extended our target reporting boundary to include all our subsidiaries. We have now included emissions in 2024 for Vita Health Group and The Doctors Clinic Group. In accordance with the GHG Protocol we have determined that the structural changes to our organisation have breached our qualitative criterion 'significance threshold' and triggered the need to reset the baseline. Our 2019 base year and all subsequent years' targets have increased with the inclusion of these additional subsidiaries.

In 2024, our emissions were 26,522 tCO_2e which is a 24% reduction since our 2019 base year. As our interim annual target for 2024 was 24,963 tCO_2e, our performance was 6.2% adverse to our target.

When targets were set, we had anticipated purchasing REGOs in 2025. With none being procured, due to factors out with our control, electricity targets were difficult to achieve. The market value of REGOs have been prohibitively high with significant increases in market prices resulting from the exit of the UK from the Europe-wide REGO scheme. It is our long-term objective to use this market-mechanism, but have decided to wait and monitor the markets and in the meantime reinvest in our own renewable projects.

Additionally, during the year we believed we were on track to achieving target until final billing with our energy supplier revealed data inaccuracies. Additionally, Scope 1 transport has increased slightly due to increased business activity.

Despite missing the year-end target, it should be noted that we still reduced emissions from 2023 to 2024 by 1,197 tCO_2e and from the base year 2019, we continue to make good progress, reducing emissions by 8,388 tCO_2e.

We invested significant capital to decarbonise in 2024 and these projects should more fully develop and generate savings into 2025. We are installing solar PV arrays at all our hospital sites. The majority were completed and energised in 2024. Solar power generated on site will displace purchased electricity and therefore related carbon emissions.

Additionally, we are well progressed with upgrading all hospital building management systems (BMS). This will help us improve operational control of our hospitals' heating, ventilation and cooling systems (HVAC). Once again, most hospital sites have been upgraded with the remainder to be completed in early 2025. A rolling programme of LED lighting has continued, which has helped curb electricity emissions.

Piped nitrous oxide has been physically removed from service at all hospitals and our improved reporting accuracy for fluorinated gases has resulted in lower emissions, which has helped mitigate performance elsewhere. The hospitals continue to invest time in energy efficiency projects, using hospital level targets to drive our carbon champions to save energy through communications such as our newsletter, by promoting behavioural change and through small capital projects, complimenting the large capital projects that we have underway.

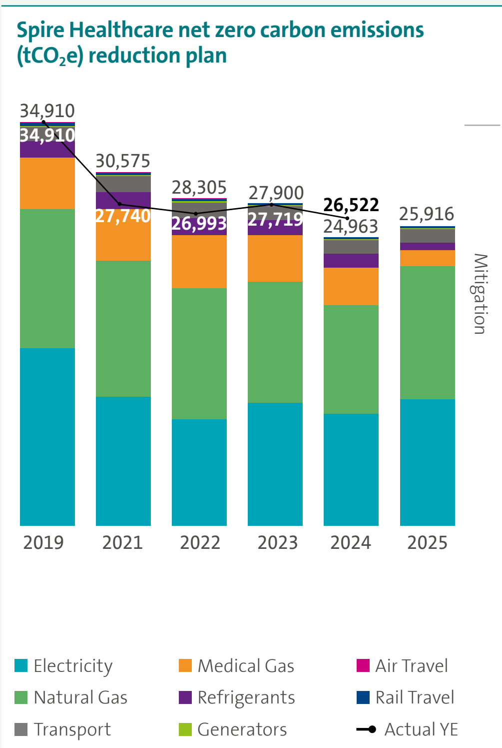
1. The trajectory to net zero by 2030 and figures presented here exclude VHG; we will look to integrate our plans going forward.

Our carbon reduction roadmap

The graph below shows annual targets for emissions reductions as well as actual performance. The targets and baseline now include Vita Health Group and The Doctors Clinic Group. Considering our 2024 performance and the evolving emissions reporting sphere, we have created a new interim target for 2025, to allow us time to review our options for future reporting years. Among consideration is adopting targets that are in line with the Science Base Targets Initiative (SBTi) methodology. We will also review any other best practice for emissions target setting.

Our review has been triggered by REGOs now costing more than initially expected and the cost of degasification not being at the levels anticipated when targets were set in 2020.

Spire Healthcare net zero carbon emissions (tCO_2e) reduction plan



Sustainability report continued

Additionally, our review will increase the scope of our emissions reporting to include our whole GHG inventory and adopt best-practice target setting.

The 2025 target of 25,916 tCO_2e will ensure we continue to strive for emission reductions from 2024's year-end position of 26,522 tCO_2e. The 2025 target is for all Scope 1 and Scope 2 emissions as well as Scope 3 emissions from air and rail.

Carbon credits

Our surplus emissions, over target, amount to 1,559 tCO_2e. In order to demonstrate our commitment to the avoidance and removal of greenhouse gas (GHG) emissions we have purchased credits for this surplus. The project in which we decided to invest is a REDD (Reducing Emissions from Deforestation and Forest Degradation) project in Brazil. This project is certified by Verra through its Verified Carbon Standard (VCS) Program which is the most widely used greenhouse gas (GHG) crediting programme in the world. We are aware that carbon credit programmes have their limitations and will undertake appropriate due diligence prior to engaging in any major use of carbon credits to offset future emissions.

CDP reporting

We have retained our Climate Disclosure Project (CDP) management level band scoring for the 2024 response. There was a minor drop in the actual scoring to a 'B-' from 2023's 'B'. The questionnaire had a large overhaul in 2024 with many additional questions and sections. We are looking to address gaps in our response to improve scoring in 2025. Several categories within the response improved in scoring such as our Risk Disclosure, Governance and Scope 3 Emissions reporting.

6%

Behind 2024 target emissions – 26,522 tCO_2e achieved, target 24,963 tCO_2e (2023: 3% ahead)

Full GHG inventory and streamlined energy and carbon reporting

This section provides the emissions data and supporting information required by the Companies Act 2006 (strategic report and directors' report) Regulations 2013 and the Companies (directors' report) and Limited Liability Partnerships (energy and carbon report) Regulations 2018.

Total GHG emissions for the Spire Healthcare Group in 2024 were 352,202 tCO_2e. For the first time we are reporting our full GHG inventory with all scopes included (see table opposite). The only notable exception is Scope 3 Category 7: Employee Commuting. From 2025 we will begin to include commuter surveys in our annual questionnaires to allow us to determine emissions from this category.

Notes on the table

Emissions stated are for all Scope 1 and Scope 2 emissions as well as all Scope 3 categories where information is currently available.

a. Methodology and emissions factors

The Streamlined Energy and Carbon Reporting Regulation (SECR) report relates to Spire Healthcare Group PLC (and all subsidiaries) and covers the emissions from its operations from January 2024 to December 2024.

The reported carbon emissions have been calculated following the guidance in the UK government's Environmental Reporting Guidelines, 2019, and the methodology outlined in The GHG Protocol Corporate Accounting and Reporting Standard (revised edition). The carbon emission factors have been obtained from the UK government's GHG Conversion Factors for Company Reporting 2024. An 'operational control' methodology has been adopted to outline the scope of carbon emissions reporting for Spire Healthcare; operational control refers to the ability of an organisation to direct the activities of a facility or operation. In the context of GHG reporting, a company is considered to have operational control over a facility or activity if it has the authority to introduce and implement operating policies at that facility or in that activity, regardless of ownership.

Activity – Category	2023 (tCO_2e)	2024 (tCO_2e)	Percentage Change (%)	Actual Change (tCO_2e)
Scope 1: direct emissions from the operation of owned and controlled facilities and equipment				
Scope 1 Total (tCO_2e)	15,491	14,528	-6%	-963
Scope 2: indirect emissions – from the production of purchased energy				
Scope 2 Location based total (tCO_2e)	12,204	11,903	-2%	-302
Scope 3: indirect emissions from the value chain				
1. Purchased goods and services	233,441	264,277	13%	30.836
2. Capital goods	46,013	53,608	17%	7.596
3. Fuel and energy related activities	6,276	6,286	0%	10
4. Upstream transportation and distributions	280	467	67%	187
5. Waste generated in operations	418	226	-46%	-193
6. Business travel	335	402	20%	67
7. Downstream transportation and distribution	407	506	24%	99
Scope: 3 Location Based Total (tCO_2e)	287,170	325,772	13%	38.602
Total Gross Emissions Location Based (tCO_2e)	**314,865**	**352,202**	**12%**	**37,338**
Revenue (£m)	1.359	1,511	11%	152
Intensity Ratio tCO_2e per (£m) Location Based	232	233	0.6%	1

This means that the organisation is responsible for the GHG emissions from the 'operations it controls'.

This report includes the material carbon emissions, in line with the emissions categories, as required to be reported under the SECR regulations as well as voluntary emissions from all other sources available.

b. Scope 1: direct emissions from the operation of owned and controlled facilities and equipment
Scope 1 emissions are made up by emissions from natural gas, transport, medical gases, gas oil (backup generation) and refrigerants.

c. Scope 2: indirect emissions from the production of purchased energy
Scope 2 emissions used a location-based methodology in 2024. These emissions are primarily from purchased electricity across our estate. A minor percentage was for the use of battery powered electric vehicles.

d. Scope 3: indirect emissions from the value chain
Category 1 and 2 emissions have been calculated using spend-based data with Department for Environment, Food and Rural Affairs (DEFRA) conversion factors for the whole group. Additionally, some primary activity data for water supply has also been included. Category 3 emissions are for well-to-tank for all fuels used, well-to-tank for electricity generation, well-to-tank for transmission and distribution (T&D), and electricity T&D losses.

Category 4 emissions are for the purchase of courier services for incoming goods. Category 5 is for waste generated in operations, coming primarily from waste partners for recycling, combustion and landfill. Some waste data was calculated on a spend-based method for disposals. Category 6 emissions are from air travel, rail travel and hotel stays. Category 9 emissions are for the purchase of courier services for outgoing goods.

From the full inventory it can be seen that Scope 3 emissions dominate. These contribute more than 92.5% of all emissions, with Scope 1 and Scope 2 contributing 4.1% and 3.4% respectively. Scope 1 emissions decreased 6% in comparison to 2023, and Scope 2 emissions decreased by 2%. These are the emissions that we have been proactively targeting for reduction. Emissions from Scope 3 waste performed very well, having decreased by 46%. The rest of our Scope 3 emissions increased, with these mostly being tied directly to spend-based activity data.

As required by SECR legislation we have stated our emissions, 2023's emissions for comparison, an intensity ratio, energy efficiency actions carried out, our methodology and our energy usage. These can be found on page 39-40. Despite our overall emissions increasing our intensity metric has decreased by 0.4% to 231 tCO_2e per £m revenue.

In 2024 we carried out a comprehensive review of our supply chain in our ongoing commitment to environmental sustainability and reducing carbon emissions. As part of this effort, we were seeking to understand better the environmental impact of our suppliers' operations, particularly GHG emissions. The response received will aid us in identifying opportunities for collaboration in reducing emissions across the supply chain.

Our aim for the future is to begin to develop targets for our Scope 3 emissions.

Sustainability report continued

Hospitals

Respect the environment

Manage our waste more efficiently while minimising detrimental effects to our planet

KPI

Target: overall recycling 30% by end 2024 – 48% in 2024 (2023: 35%)

Target: hospital sites only dry mixed recycling 30% by end 2024 – 31.4% in 2024 (2023: 23.5%)

Target: offensive waste 40% by end 2024 – 42.9% in 2024 (2023: 36.5%)

Initiatives

- 23 sites averaged over 30% for DMR in 2024 (2023: 13)
- Recycling at 49 clinical and non-clinical sites, up from 47 in 2023 – hospitals, central functions offices, distribution and other non-clinical sites
- Fully rolled out recycling of reusable sharps containers
- Increased recycling rates through further segregation of waste and hazardous materials eg tray wraps and curtains
- Worked to increase segregation of offensive waste and reduce use of paper towel and gloves
- Sustained reduction in infectious waste to 0.4% (2023: 3%) of total clinical waste which lowered carbon emissions and cost, and helped remove offensive waste from incineration
- Sustained working with current waste contractors to mitigate waste going to landfill sites (0.7% of total waste went to landfill)
- Trained over 10,000 colleagues (2023: 1,300) in waste segregation, with mandatory training for all colleagues

Progress in 2024

Ensuring that we manage our waste properly, and recycle what we can, is vital for a healthcare business. It is all about doing the right thing, contributing to our carbon reduction programme, protecting the environment, and reducing costs.

In the hospitals, we generate a considerable amount of general waste. This is a combination of domestic waste, most of which can be used to generate renewable energy, and dry mixed recycling (DMR), which can be reused or repurposed. The hospitals business also disposes of clinical, infectious and offensive healthcare waste that requires specialist treatment, incineration or disposal through the renewable energy system. The challenge of managing and sorting such complex waste streams is unique to the healthcare sector.

It is important for our teams to understand the various types of waste and we have been rolling out mandatory waste segregation training since 2023. By November 2024, over 10,000 colleagues (2023: 1,300) had been trained. We incinerated less proportionately of total waste (from 29% in 2023 to 25% in 2024), and absolute tonnage has decreased by 11%. However, as incineration prices per tonne have increased, costs have increased in this area.

In 2024, Spire Healthcare's waste management initiatives saved over 2,742 tonnes of CO_2 (2023: 358 tonnes) This is equivalent to:

- 9,475 trees planted each year or
- 1,028 cars off the road or
- 1,683 houses powered each year

We are now recycling at 49 clinical and non-clinical sites, up from 47 in 2023.

DMR rates improved in 2024 to 31.4% from 23.5% because mandated training is raising awareness of the importance of segregating waste, combined with investment in new waste segregation bins.

Most sites are now segregating disposable curtains and tray wraps. Following a feasibility study for a 'gloves off' campaign with the aim of reducing glove numbers in clinical waste in hospitals, we implemented the initiative successfully in 2024. We also tested the removal or reduction in use of disposable paper tissue roll in many of our outpatient areas and concluded we could implement reduction initiatives safely; we did so from October 2024.

We have 'offensive waste' segregation at all our hospital sites. Disposal of offensive waste costs over 60% less per tonne and uses a more environmentally friendly waste disposal process than clinical or infectious waste. It is not incinerated; instead, it goes to a special materials recovery facility, where it generates renewable energy without releasing any harmful substances into the atmosphere. By encouraging segregation into offensive waste and clinical waste, we reduced our carbon emissions. In 2024, we continued to push the segregation of clinical and infectious waste into offensive waste by focusing on waste segregation in our theatres.

To help reduce our carbon footprint, the sharps bio system roll out, designed by our waste partner Stericycle, was completed across the estate in 2024. Stericycle's containers are reusable, UN-approved, puncture-resistant containers that can be used up to 600 times after washing and disinfection, as opposed to the single-use sharps containers that are disposed of after just one use.

48%

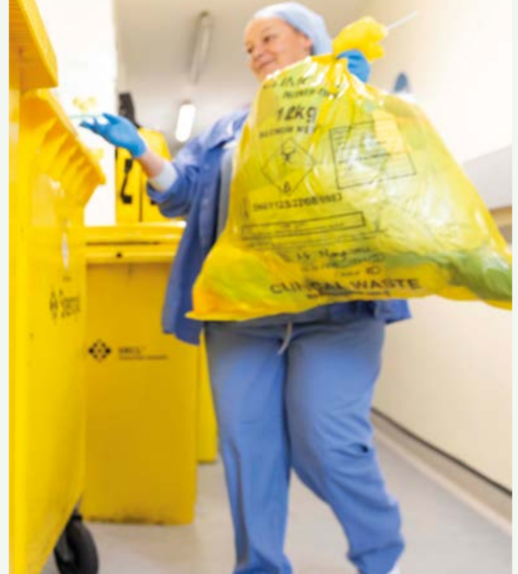
overall waste recycled in 2024, up from 35% in 2023

This includes recycled waste returned to our National Distribution Centre.

31.4%

dry mixed waste recycled, up from 23.5% in 2023

This excludes National Distribution Centre waste and is at hospital sites only.



Hospitals

Respect the environment

Undertake a comprehensive review of climate risk across our operations

Timeline
End 2026 – completed in 2023

3

Progress in 2024

We completed a comprehensive review of climate risk across our operations in 2023, undertaking our scenario analysis from the impacts of climate change on our business. Our TCFD report on pages 77 to 82 provides the detail and outcomes of the analysis. We will undertake this analysis again by 2026, to ensure that we continue to revise our understanding of the possible impacts as the modelling of future global warming trends improves with a mixture of further actual data and more powerful models.

For more information, see our TCFD section page 77

Respect the environment

Identify opportunities to reduce use of single-use plastics

Initiatives
- Reusable sharps containers saved over 20,000 containers from incineration

4

Progress in 2024

To help reduce our carbon footprint, the sharps bio system, designed by Stericycle, our waste partner, was rolled out across the hospital estate in 2024.

In 2024, this initiative diverted an estimated 20,455 containers from incineration, 39 tonnes of avoided plastic in manufacturing and 241 tCO_2e of emissions.

Read more in goal number two on managing waste on page 42

Hospitals

Respect the environment

Identify and act on water-saving opportunities

KPI

Target: consumption m^3 to be determined

Initiatives

- Automatic meter reading
- Reviews of housekeeping and catering

5

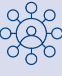
Progress in 2024

Water conservation

In 2024, our key focus was the deployment of PV solar panels and building management systems as described on page 39. As these programmes are now materially complete, more action will now be taken in relation to water saving initiatives.

Initial focus will be on the roll out of automated meter reading for all our hospital sites, delivering accurate measurement of water consumption, and to understand the impact of water saving activities. We are in discussion with our advisors and suppliers over this initiative with a view to implementation in 2025.

In the meantime we have continued to make tactical savings, eg identifying and removing low-use outlets. From reviews of our housekeeping and catering processes, we believe further savings in water consumption will be forthcoming in 2025.



Engage our people and communities

Be a contributor to the UK's healthcare workforce through innovative programmes

Initiatives

- Learning and development strategy
- Apprenticeship programmes including a large nurse apprenticeship programme
- Driving Clinical Excellence in Practice programme
- People management training

6

Progress in 2024

Investing in our talented people is a major focus for us, as we seek to train and upskill colleagues, preparing them for a fulfilling and rewarding career at Spire Healthcare or elsewhere in the wider health and care sector.

Our apprenticeships and people development

Supporting the development of our colleagues is crucial to maintain our high standards of quality and care. Our five-year nursing and allied health professional (AHP) strategy focuses on delivering excellent, safe practice and care and has three strands: developing our workforce, driving clinical excellence through practice and enhancing professional pride.

In 2024, we launched our new Driving Clinical Excellence in Practice programme, which supports the continuing professional development of registered nurses and allied health professionals; 350 colleagues have started it. The programme considers clinical skills and competencies, and meaningful subject matters within healthcare.

Professional development is an important part of our offer to attract and retain the best people to work in our hospitals and clinics. We seek to refresh colleagues' competencies and skills regularly. Clinical competencies will be part of our new automated online learning management system for mandatory training, launching in 2025. The new platform will not only reduce risk by ensuring that compliance and mandatory training is appropriately delivered, but also allow colleagues to drive their own development when it is launched in 2025.

In 2024, over 110 apprentices graduated from our apprenticeship programmes, including many who achieved functional skills in maths and English to be able to participate in higher level programmes. We give them the right environment in which to thrive, study and learn. We continue to sustain a healthy pipeline of new apprentices enrolling in our programmes, and closely monitor performance against retention and career progression data.

Our largest apprenticeship programme is the Registered Nurse Degree, and our apprentices continued their studies in 2024 with the University of Sunderland and in placements in a range of nursing settings. Nurse graduates deliver critically needed nursing skills directly into the UK's healthcare sector. We currently have over 380 apprentices across the group in a wide range of clinical areas such as laboratory medicine, physiotherapy, pharmacy, theatres, as well as non-clinical disciplines such as engineering, governance and hospitality, and in Vita Health Group, representing around 3% of our permanent workforce.

We offer a range of opportunities to help colleagues learn and grow at work. In 2024, we continued to focus on developing manager capability, including the introduction of a new managers programme where more than 100 managers with less than six months' experience learned the fundamental skills for great people management.

In Vita Health Group, a mentoring scheme in 2024 supported 56% of participants to advance in their career. A new induction process for joining colleagues was introduced in 2024 to manage the training at a more manageable pace.

For more information, see our TCFD section on page 77 and Investing in our workforce on page 29

350

colleagues have started Driving Clinical Excellence in Practice training programme (new for 2024)

Sustainability report continued

Engage our people and communities

Take action to ensure that the ethnic diversity of Spire Healthcare's leadership reflects, or is ahead of, the overall ethnic diversity of the business as a whole

KPI

Target: 18% ethnic minority representation in executive committee and their direct reports

Initiatives

- Agreed targets to improve diversity and belonging, ahead of new EDI strategy implementation in 2024
- Consider ethnic diversity balance when constructing Spire Healthcare's leadership programmes
- Broad range of networks including for sexuality, racial equality, menopause and women
- Reviewed external benchmarks – Parker Review
- Working towards better data to improve reporting and planned action

Progress in 2024

We have reviewed this goal in line with the requirements of the Parker Review: 'Improving the Ethnic Diversity of Business', published in 2023, to assess how best to support diversity in the business. At the end of 2024, we agreed a target of 18% ethnic minority representation within executive committee and their direct reports.

Diversity remains vital to our success, and our equity, diversity and inclusion (EDI) strategy was reviewed in 2024 with a view to defining organisation-level targets to help us improve diversity and belonging within the business.

We were pleased to be listed in the Financial Times Diversity Leaders index for another year; an index of companies considered to be Europe's diversity leaders, based on a survey of 100,000 employees across Europe. We aspire to create an environment where everyone is respected and where difference is celebrated.

The group's executive committee demographic was 22% ethnically diverse in 2024 (2023: 25%) and the board is 10% ethnically diverse, up from 8% in 2023. For executive committee and their direct reports, the proportion was 9.2% ethnically diverse (2023: 7.8%).

Colleague networks

We have networks supported by a member of the executive committee to give focus and impetus. All networks contribute to policy and inclusion.

Our race equality network is a supportive and confidential colleague network that provides individuals from diverse backgrounds with a safe and open platform to share their personal experiences. The network has been active with regular meetings and communications updating colleagues on actions taken and celebrating successes. Regular catering events encourage embracing diverse cultures and backgrounds.

Our menopause network completed a second survey in 2024, which showed an improvement in awareness of menopause and symptoms among colleagues and knowledge of the menopause policy. Comments showed a need for training to support line managers' understanding of symptoms and each person's experience; we have released an awareness booklet and now offer additional health benefits for permanent employees. We have also trialled an alternative gender-free uniform, which can be worn by anyone.

The LGBTQ+ network is colleague-led and offers support, training and celebration, and contributes to group policy formation. In early 2025, the network was awarded 'highly commended' by the Metro Pride Awards as in the LGBT+ best colleague network category, for strengthening organisation culture.

VHG has networks on women, LGBTQIA+ and race equality, presenting safe spaces for those communities. Each network is involved in setting policies for the business.

Understanding our workforce better

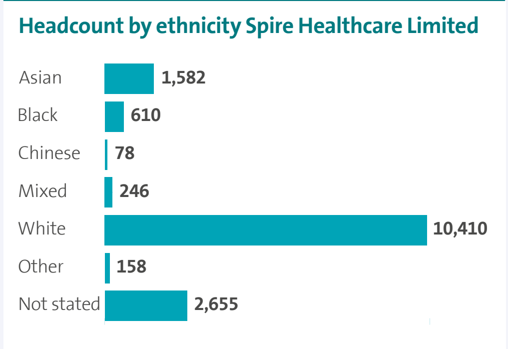
Colleagues are encouraged to share their ethnicity during the annual colleague survey to help Spire Healthcare better understand the different experiences of colleagues. The survey results are reported and shared across the hospitals business, including the responses to questions on reporting instances of harassment, bullying, or abuse at work from patients, managers, and colleagues. The survey also asks whether colleagues believe that Spire Healthcare provides equal career progression and promotion opportunities, regardless of factors such as ethnic background, gender, religion, sexual orientation, disability or age.

Of those colleagues in Spire Healthcare Limited who disclose their ethnicity, 20.4% report having a non-white background, up from 18.9% in 2023.

VHG has positive action schemes in place to reduce barriers to employment faced by people with disabilities, women, veterans and those from ethnic minority backgrounds. The schemes guarantee interviews for those applicants who meet the role criteria. Colleagues have also been offered a wide variety of training including, anti-racism, disability awareness and LGBTQIA+ awareness.

20.4%

of those hospitals business colleagues who disclose their ethnicity, report having a non-white background (2023: 18.9%)



Group

Engage our people and communities

Achieve a balance of at least 40% female representation at board and executive committee level by 2025

Timeline
End 2025

KPI

Target: proportion of females 42% at board and executive committee combined – 47% in 2024

Target: board diversity policy, minimum of 33% female directors on the board: 33% by 2023 AGM and 40% by 2025 – 50% in 2024

Initiatives

- FTSE Women Leaders Review – first in healthcare and 4th in the FTSE 250
- FT Diversity Leaders Index top 850 companies in 2024 – ranked 165 up from 433 in 2023
- Women in Work top 100 company 2024

Progress in 2024

Spire Healthcare is committed to diversity and inclusion, which includes supporting women to become leaders within the business.

We have five women on the board, equal to 50% of the membership, in 2024, up from 45% in 2023, reflecting our commitment to fair representation across the business. The board considers its members' diversity regularly through data reviews, recruitment decisions and discussions in board meetings. Diversity is also regularly reviewed as part of the workforce demographics discussions at meetings of the remuneration committee and executive committee.

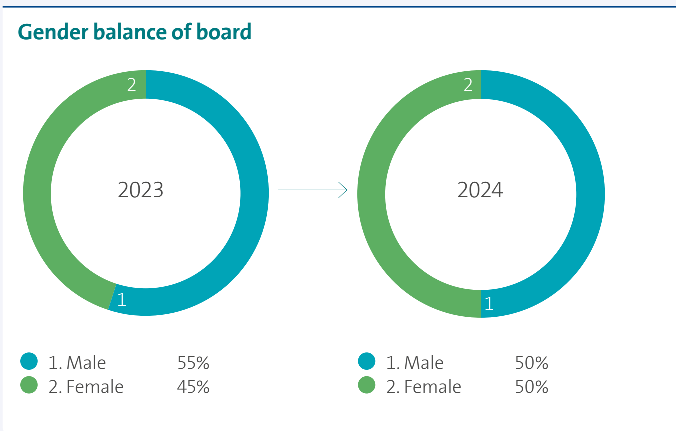
Our executive committee demographic was 33% female in 2024 (2023: 38%).

The combined board and executive committee demographic in 2024 is 47% female, level with 2023.

Spire Healthcare is 4th in the FTSE 250, and first in healthcare, for women in senior leadership positions, as recognised by the FTSE Women Leaders Review report for 2024/25 which covers the largest UK companies. Our executive committee combined with our senior managers – their direct reports – was 55% female at 31 October 2024 (2023: 58%), as reported to the review.

We are one of the FTSE 350 companies that has already met, or exceeded the target for Women in Leadership, and did so two years ahead of the target date of 2025.

For more information, see Investing in our workforce on page 29, gender pay gap on page 48 and KPIs section on page 62



Hospitals

Engage our people and communities

Further reduce gender pay gap among Spire Healthcare colleagues

Timeline
End 2025

KPI
Gender pay gap: year-on-year reduction – positive initiatives underway

Initiatives
– Inclusive approach to training and development
– Monitor and report on gender pay gap
– Build talent pipeline and support colleague development

9

Progress in 2024

Our main employing entity is Spire Healthcare Limited – covering 83.8% of all reportable employees of Spire Healthcare Group. In the interests of transparency, we have provided additional data that captures relevant employees across the Spire Healthcare Group.

Gender pay reflects the structure of our workforce and the differences in the balance of male and female workers within the wider healthcare sector. Gender pay is distinct from 'equal pay', which considers whether men and women are paid the same for carrying out the same or equivalent roles.

In 2024, the overall median gender pay gap in Spire Healthcare Limited was 11.6% (2023: 9.2%) and the mean reduced to 16.2% compared to 17.7% in 2023.

The median gender pay gap in Spire Healthcare Group was 12.3% for 2024 (2023: 9.1%) which is below the Office for National Statistics median of 13.1% published in October 2024. The mean gender pay gap for Spire Healthcare Group reduced to 16.1% from 17.2% in 2023.

Our mean and median gender bonus gap reduced in 2024 compared to 2023 for Spire Healthcare Limited and Spire Healthcare Group. For Spire Healthcare Limited the mean gender bonus gap for 2024 was 74.7% compared to 82.0% in 2023 and the median gender bonus gap was 25% from 50% in 2023. For Spire Healthcare Group the mean gender bonus gap for 2024 was 76.2% compared to 81.7% in 2023 and the median gender bonus gap was 25% from 50% in 2023.

Responding to the gender pay gap

We understand and value the benefits that diversity can bring across all levels of the organisation. Having a visibly diverse leadership fosters a culture of inclusion that both attracts a broader talent pool and also allows our future talent to recognise that progression is possible to senior leadership roles.

We have made a focused effort to better understand our gender data across all levels within our organisation and where we have either weak or strong levels of gender balance in the talent pipeline. In addition we have been reviewing, updating and creating new policies (for example menopause policy) that can support all women in our workforce. This has been a conscious effort to both attract and retain our female talent.

The introduction of the job framework for hospital colleagues has provided clarity on progression pathways, enabling better flow and retention of female talent. These efforts are underpinned by a targeted talent pipeline strategy, designed to identify, develop and support female colleagues at all levels.

In addition, 2024 was the second successful year of insourcing our recruitment which has significantly reduced vacancies and time to hire, allowing even more focus on the right candidates for roles and will help focus on gender and diversity representation.

We continue to undertake talent and succession planning where we look to create opportunities and support the development of female leaders.

We continue to invest in colleague development and training, focusing particularly on management and leadership capabilities. In 2024 representation was gender balanced across our executive coaching programme.

Gender breakdown

Employees – Spire Healthcare Limited	Male	Female
Overall employees	2,436	9,319

Employee table

Entity	Spire Healthcare Limited		Spire Healthcare Group plc[1]	
Number of employees (includes bank workers)[2]	13,115		15,703	
Women's hourly rate is:				
Mean	16.2% lower		16.1% lower	
Median	11.6% lower		12.3% lower	
Pay quartiles:	Men	Women	Men	Women
Top quartile	25.8%	74.2%	26.5%	73.5%
Upper middle quartile	20.4%	79.6%	20.2%	79.8%
Lower middle quartile	20.9%	79.1%	20.5%	79.5%
Lower quartile	16.1%	83.9%	16.3%	83.7%
Women's bonus pay is:				
Mean	74.7%		76.2%	
Median	25.0%		25.0%	
Who received a bonus?				
Men	32.0%		30.8%	
Women	29.8%		28.2%	

1. Including Spire Healthcare Limited, Montefiore House Limited, Claremont, Vita Health Group, Spire Occupational Health and London Doctors Clinic
2. In line with government reporting requirements, the number of employees stated in the table above is the number of colleagues who received full pay in the pay period April 2024.

Hospitals

Engage our people and communities

Maintain an overall colleague engagement score of at least 80%

KPI

Target: 80% proud to work for Spire Healthcare – 76% in 2024 (2023: 81%)

Initiatives

- Actively grew number of colleague survey engagement champions so each area of the hospitals business is represented.
- Introduced regular online meetings with champions, sharing key activities such as awareness events and pilot of Viva Engage, examples of action planning in practice and local engagement initiatives to develop best practice
- Worked closely with the people operations team to develop ways of working to provide local support for management team action planning, and in delivering the 2024 colleague survey
- Supported 2024 survey preparations in our hospitals with bespoke team presentations and Q&A documents for management teams' use
- Engaged with hospitals with the lowest colleague survey response rates in 2023 to provide extra support as required for the 2024 survey

10

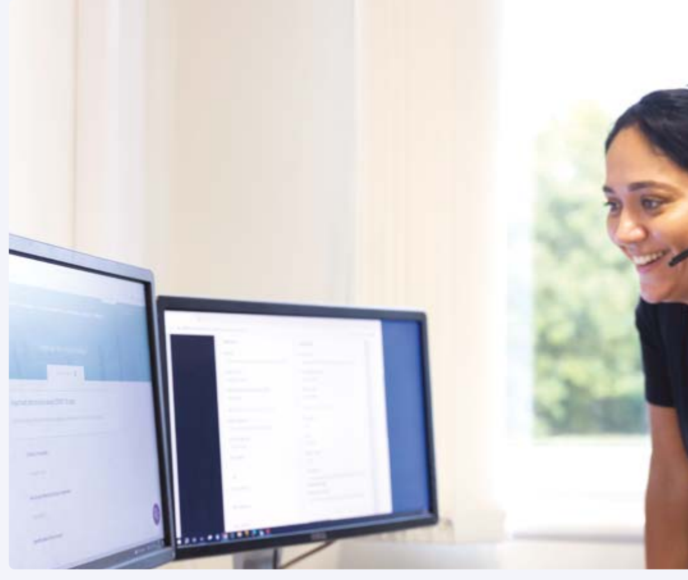
Progress in 2024

We want our colleagues to have a great work experience, and if they feel engaged, they can perform at their best. Regular communication is an important part of our engagement activities and we use a variety of communication channels to provide regular updates on all aspects of our hospitals business.

We aim to make it easy for frontline hospital colleagues without regular access to email to get involved in our communication and engagement activities. Our colleague communications app (provided by Ryalto) is available for colleagues to access on their own personal devices to stay connected easily. The app is an excellent platform to recognise teams and individuals. In 2024 we published key information in a variety of formats including photos and animations, as well as videos from our chief executive officer and the executive committee.

In 2024, we introduced Microsoft Viva Engage in the hospitals business, a key communication and collaboration tool. Following a pilot in the summer with senior leaders, we successfully launched Viva Engage into Spire Leeds and Spire Yale hospitals, set up a company newsfeed and launched to two central functions teams. Integrated as part of the Microsoft 365 suite of applications and available on personal devices and computers, Viva Engage will build upon the success of Ryalto and make it easier for colleagues to interact across different communities that represent local teams, role type and personal interests.

We encourage regular feedback from colleagues, with annual surveys to gain in-depth feedback across the group. We held our group-wide colleague surveys in November, with colleagues in hospitals, central functions, LDC and Spire Occupational Health completing the same survey*. For the first time, VHG aligned the timing of its survey and introduced new questions to provide important year-on-year comparisons, and group-wide indicators.



Results for the hospitals business showed an overall response rate of 83% (86% in 2023), with 76% of colleagues saying they are proud to work for the business (81% in 2023), and 83% would be happy with the standard of care if their friends or family needed treatment (86% in 2023).

Results for VHG showed an engagement score of 78% (2023: 81%) with a response rate of 82% (2023: 80%).

In March, we held a colleague survey champions day for the hospitals business with a focus on understanding the drivers behind the key themes from the 2023 colleague survey, ideas for action plans and how to drive meaningful change. The year's key themes included recognition and trust in leadership, celebrating differences and recommending Spire as a place to work. Since its last survey, VHG has followed up to understand their scores and seek improvements.

We focused on four main themes from a safety survey of hospitals business colleagues in 2024, related to accessing the patient safety policy, speaking up, feedback and behaviour. This survey was linked to the chief executive's 'Listen Up' theme for the year and sought to gain more insight into this important area, supporting an open culture where people feel comfortable to speak up. The findings show that there is opportunity for focus and for us to question ourselves 'how do we get better?'. We are also analysing possible reasons why some hospitals appear to be making greater progress than others and will share learning in committee reports.

Line managers conduct regular one:one meetings and full and half-year reviews. Our executive committee and non-executive directors dedicate quality time to people issues across the group, and continued to engage with colleagues over 2024 through the workforce committee and colleague listening sessions at sites across the country.

For more information, see Investing in our workforce on page 29 and KPIs section on page 62

* The survey was of Spire Healthcare Limited, LDC and Spire Occupational Health colleagues.

Sustainability report continued

Engage our people and communities

Build strong connections between Spire hospitals and local communities

Initiatives

- Corporate charity drive
- Strong community relationships with local charities
- Financial support to sites or individuals who are fundraising
- Working with voluntary sector partners
- Informal community efforts, including supporting local foodbanks
- Outreach to bring NHS services to local communities

Progress in 2024

Contributing to our communities

We believe in the power of giving back to our local communities and making a positive impact on society. In 2023, Spire Healthcare established a group-wide charity committee to coordinate, consider and agree the group's overall charitable initiatives. The committee is chaired by a member of the executive committee with participants from across the organisation. In 2024, the committee held a strategy day and agreed to start pledging grants to sites and individuals who are fundraising. The committee agrees the level of grant or donation – for the latter, individuals must raise at least the amount donated by Spire.

During our annual corporate charity drive in June, hospitals raised £7,000 for Maggie's, the cancer charity, and the business donated an additional £10,000. In addition, hospitals took part in local fundraising for more than 25 different worthy causes – activities included a charity bike ride, a fun run and baking. Colleagues sought to live out the objectives of being kind, making a positive difference to worthy causes and having some fun along the way.

As well as supporting national charities such as Maggie's, many hospitals strengthened their relationships with local charities and organisations in their communities throughout the year. These charities, which are chosen by our colleagues, closely reflect the communities they serve, and the support goes beyond fundraising. The relationships are often long-standing and we offer them valuable resource, locations for meetings and events, workplace experience, and publicity where possible.

Christmas was a particularly active time in 2024. Spire Bushey Hospital was delighted to provide its annual Christmas lunch to the Over 60's club in a local church, an event which has been ongoing for over 30 years; the hospital catering team produced a fantastic meal with all the trimmings. Spire Liverpool's colleagues and consultants donated gifts for the Cash for Kids appeal, doubling their 2023 collection. The charity works with disadvantaged children from birth to 18. Spire Cardiff colleagues donated 90 gift bags to a south Wales charity for underprivileged children, the Mr X Appeal, and raised over £1,000 for the Welsh Air Ambulance.

Earlier in the year, Spire Parkway raised over £10,000 for Cancer Research UK's Race for Life. Over 50 colleagues took part in a muddy obstacle course in Birmingham, some of whom have, themselves, been affected by cancer.

To promote services to 'hard-to-reach' patient groups, Vita Health Group's partnership liaison officers work closely with voluntary sector partners to stimulate referrals and bring services to locations such as supermarkets, libraries and community centres. In 2024, they engaged with local community partners and voluntary organisations to better understand patient groups to improve access and outcomes. In 2024, a project began to prepare for the patient carer race equality framework, which comes into force in March 2025 for all providers of mental health services for NHS patients.

At Vita Health Group, each colleague can take one volunteer day per year; this was little used in 2023 but in 2024 over 80 days were taken, giving time to local communities.

Hospitals

Operate responsibly

Target 'Good'/'Outstanding' CQC scores across all our hospitals (or equivalent)

KPI

Target: 100% of our inspected hospital locations to achieve 'Good' or 'Outstanding' ratings or the equivalent from regulators in England, Scotland and Wales – 98% in 2024 (2023: 98%)

12

Progress in 2024

Quality underpins everything we do. We have robust ward-to-board governance and internal audit procedures, and members of the board and executive committee regularly visit and meet with hospital leaders, colleagues, consultants and medical advisory committees.

We expect the highest possible standards every day across all locations, delivering care and providing safety to patients. Currently 98% of our inspected hospital sites are rated 'Good', 'Outstanding' or the equivalent by health inspectors in England, Scotland and Wales. Both hospitals in Edinburgh and Spire Clare Park in Farnham were rated 'Good' overall in 2024. We are still awaiting reinspection of Spire Alexandra in Kent which has not been inspected by the Care Quality Commission since 2016/17.

100% of Vita Health Group locations inspected by CQC are rated 'Good'.

For more information, see Building on quality on page 25

Hospitals

Operate responsibly

All Spire Healthcare hospitals to achieve a rating of at least 80% across colleague experience, patient experience and consultant experience

KPI

Target: 80% of employees stating they are proud to work for Spire Healthcare – 76% in 2024

Target: 80% of private patients rating their overall experience as 'very good' – 82% in 2024

Target: 80% of consultants who rate the care given to their patients by our hospitals as either 'excellent' or 'very good'– 84% in 2024

In 2024, six hospitals met all three of these criteria (2023: 7), 34 hospitals met at least one (2023: 31) and 22 met at least two (2023: 16).

Progress in 2024

We seek to offer our patients rapid access to high-quality, compassionate, personalised healthcare, with expert clinicians, at a price they can afford. We aim to make our hospitals the first choice for consultants, and to invest in the best people, facilities and equipment to achieve this.

For more information, see Driving hospital performance, Building on quality and Invest in our workforce on pages 22 to 31

Sustainability report continued

Group

Operate responsibly

Maintain robust standards of clinical and corporate governance in line with best practice

Initiatives

- Implemented PSIRF across the organisation
- 35 hospitals accredited by NJR with 25 gold awards
- 15 MQEM recognised chemotherapy units
- 14 hospitals JAG accredited

14

Progress in 2024

We constantly seek to improve our standards of clinical and corporate governance, as quality sits at the heart of our culture. Our Quality Improvement (QI) strategy is now fully embedded across the organisation, while our non-executive directors conduct regular hospital visits, meet with hospital leaders, and attend local medical advisory boards and national conferences.

In 2024 we implemented the Patient Safety Incident Response Framework (PSIRF), which promotes an improved approach to responding to patient safety incidents. It recommends a system-based approach to learning, with supportive oversight of consultants focused on strengthening our response systems and continuous improvement. We have linked PSIRF to our QI programme and Freedom to Speak Up efforts to seek lasting learning and sustain a learning and open culture. This promotes colleague and patient engagement, and improved relationships.

We continue to actively contribute data to relevant registries such as the National Joint Registry (NJR) in 2024. In 2024, 35 Spire hospitals achieved the Quality Data Provider certificate, with 25 receiving the 'gold' award (2023: 31 and 19). Of 16 chemotherapy units, 15 are recognised with the Macmillan Quality Environment Mark (MQEM) accreditation (2023: 15) and we have 14 hospitals with accreditation by the Joint Advisory Group on endoscopy (2023:14)

In 2024, we remain fully compliant with the Independent Healthcare Providers Network's (IHPN) Medical Practitioners Assurance Framework (MPAF).

For more information, see Building on quality on page 25 and Clinical governance and safety committee report on page 103

Group

Operate responsibly

Promote an open and learning culture

Initiatives

- Freedom To Speak Up Guardians at all our sites
- Launched a Speak Up training module from the National Guardian's Office, mandatory for all colleagues and consultant partners
- PSIRF implemented in all hospitals

15

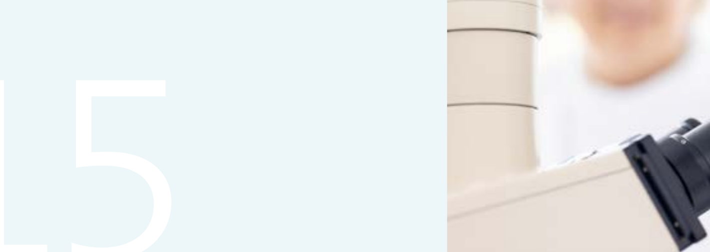
Progress in 2024

We welcome PSIRF, as the framework not only helps us manage professional standards, but also builds on our open and learning culture.

We work hard to create a culture that is characterised by openness, respect, collaborative working, a focus on clinical safety, and a spirit of continuous improvement. Attracting, retaining and developing great people is a high priority for us, and we can only do this if colleagues feel valued, rewarded, motivated, and supported by clearly defined career paths.

We continue to encourage our colleagues and consultant partners to speak up if they see something that's wrong, and we will always listen to them and support them. We have Freedom to Speak Up Guardians at all sites, and available for colleagues who work remotely, to whom colleagues can turn.

For more information, see Building on quality on page 25 and Investing in our workforce page 29



Operate responsibly

Further develop our approach to controls around modern slavery

Initiatives

- Reviewed third-party risk management solution
- Continued supplier and product rationalisation initiatives

16

Progress in 2024

Spire Healthcare Group is committed to acting ethically and with integrity in all our relationships, in line with our value of 'Doing the right thing'. Our approach to tackling the risk of modern slavery continues to evolve under the oversight of our sustainability committee, which reports to our executive committee to ensure that our directors have full oversight on all relevant matters.

Our two main areas of focus are: a) to safeguard patients, colleagues and others who come through our facilities; and b) in our supply chain. In our business operations, we believe practitioners and colleagues are well-placed to identify and deal with modern slavery concerns through the safeguarding training and protections we have in place. The safeguarding system trains those practitioners and other colleagues (clinical and non-clinical) to recognise and report signs of abuse. We believe the rigour of this system mitigates the risk of modern slavery from either going undetected or being dealt with inadequately. This risk is further controlled by the support, training and infrastructure in place for all colleagues to be able to raise concerns through our network of Freedom to Speak Up Guardians, or other available channels. In 2024, we:

- Maintained our modern slavery due diligence process for new suppliers with an annual spend in excess of £1 million. There were no issues identified through this process
- Continued to apply our procurement policy, which ensures that our hospitals and clinics are equipped with guidance and a risk assessment tool for evaluating modern slavery risks in local contracts
- Continued supplier and product rationalisation initiatives, focusing our attention on increasing the proportion of spend with long-standing reputable suppliers, with whom satisfactory due diligence has been carried out
- Reviewed the merits of procuring a third-party supplier risk management solution and determined, at this stage, not to progress further as we considered our internal processes to be adequate

Spire Healthcare's Modern Slavery Act statement
investors.spirehealthcare.com/investors/modern-slavery-act-statement

Vita Health Group's Modern Slavery and human trafficking statement
vitahealthgroup.co.uk/slavery-and-human-trafficking-statement

Sustainability report continued

Hospitals

Operate responsibly

Maintain and strengthen information governance and data security

KPI

Establish security performance dashboard to facilitate investment decisions by measuring investment versus protection – by 2024

Establish security programme of work to implement the NIST recommendations of 2022/3

Onboard new security operations centre – by 2024

Define data strategy and implement modern data platform architecture – by 2024

Initiatives

- Established a security programme of work to implement the NIST recommendations of 2023 with an ongoing programme of planned 'must do' interventions until end of 2025
- New security operations centre on-boarded
- Defined an enterprise-wide data strategy and are implementing a modern data platform architecture.
- Continued investments to strengthen and enhance security posture and overall cyber security strength
- Cyber security strategy and cyber operating model refreshed in line with digital strategy
- Architecture review board established, responsible for reviewing and approving the architectural aspects of new systems, ensuring adherence to defined security guidelines and principles
- Cyber risk retainer established with the world's number one incident response provider
- Ransomware table-top exercise (TTX) conducted with executive committee and IT senior leadership team

Progress in 2024

In 2024, we made significant strides in enhancing our cybersecurity posture, focusing on people, processes and technology to mitigate risk and strengthen information governance.

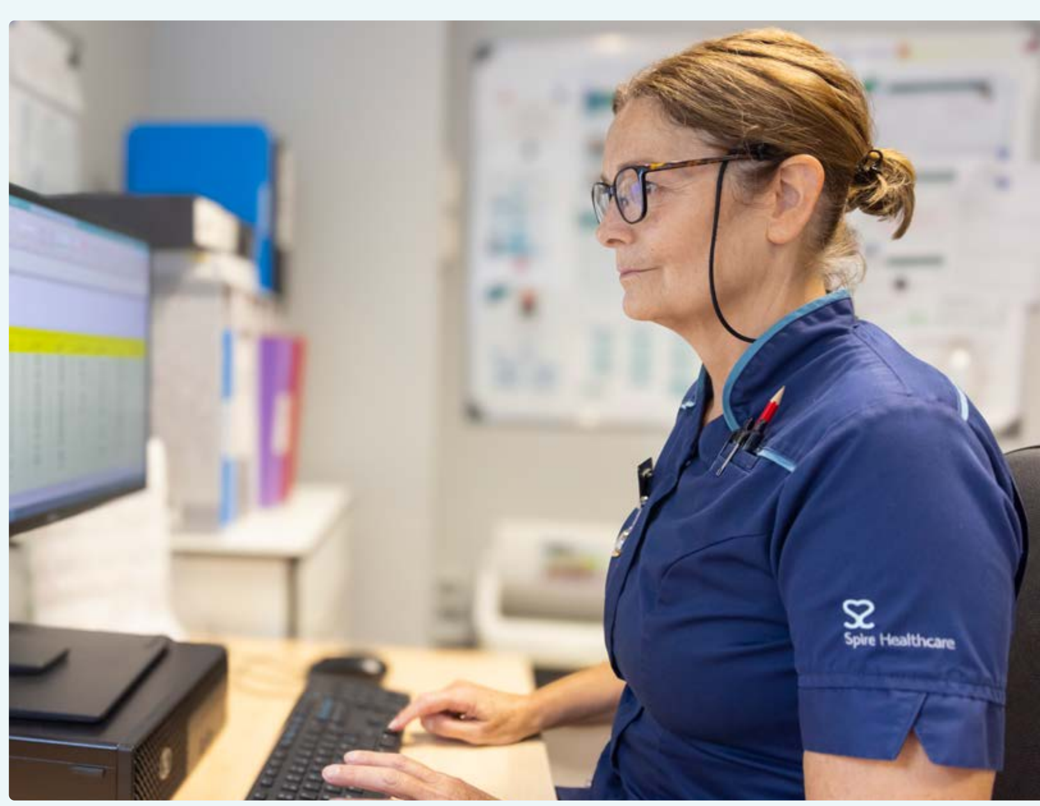
Robust security foundation: we successfully transitioned to the updated ISO27001:2022 standard, demonstrating our commitment to best-practice security management. We also maintain cyber essentials plus certification and full compliance with NHS data security and protection requirements.

Proactive risk management: we conducted independent security reviews and audits, leveraging industry-leading partners, to proactively identify and address potential vulnerabilities. We continuously benchmark our performance using the National Institute of Standards and Technology (NIST) framework, ensuring alignment with industry best practices.

Enhanced governance and oversight: the data strategy, governance and security committee provides robust oversight of our cybersecurity programme, reporting regularly to the audit and risk committee. This cross-functional committee ensures comprehensive consideration of data and security matters across the hospitals business.

Strategic technology investments: we deployed enterprise-grade security platforms and fully leveraged the advanced security capabilities within the Microsoft 365 suite, significantly enhancing our protection against sophisticated cyber threats.

Strengthened expertise: our internal cybersecurity team was expanded with experienced professionals, including the appointment of a group chief information security officer (CISO), and we established a cyber risk retainer with specialised threat intelligence experts. This combination strengthens our proactive threat detection, incident response and overall security posture to bring alignment and consistency for information security.



Proactive threat intelligence: we actively monitor threat intelligence from multiple sources, enabling us to anticipate and respond effectively to emerging cyber risks.

The strategy covers Spire Healthcare Limited only at this stage; we are working to bring the rest of the group under the same security governance.

Engagement with stakeholders

Creating value with our stakeholders

Engagement with our stakeholders is critical to our success and delivering on our purpose, strategy and objectives. Their input informs our strategic and everyday business-level decisions, and the board is provided with an overview of any relevant stakeholder feedback.

Our stakeholders

Patients	p56
Colleagues	p56
Consultants	p57
Suppliers	p57
Private medical insurers (PMI)	p58
NHS and government	p58
GPs	p59
Corporates	p59
Regulators	p60
Investors and lenders	p60
Community	p61

Engagement with stakeholders continued

Patients

Responsible executive owner
Group clinical director

Who they are and how we engage

Who they are

We treat a wide variety of patients who self-pay, with PMI, those referred through the NHS and those funded by corporates.

Why they are important to us

Providing the highest quality, safe, personalised care to our patients is at the core of everything we do.

What is important to them

Rapid access to high-quality healthcare, assessment, advice, diagnosis and treatment, at a price they can afford.

How we engage

We engage continuously with patients before, during and after their treatment and seek to involve them in all key decisions about their care.

We use a framework of customer and patient surveys, including questions mandated by regulation (eg Private Healthcare Information Network) or contracts (eg NHS). These cover our major touchpoints with patients, whether they receive admitted care or come to us as outpatients.

We work closely with patients, with the support of The Patients Association, on a range of projects, to understand their experience of care with us, and we use their feedback to further shape and refine our processes. We run hospital patient forums and conduct regular director and board level site visits.

Board engagement

While we review the feedback from our patient engagement locally in our hospitals and clinics and as part of our operational reviews, we also do this through the board's clinical governance and safety committee. This helps us develop and continuously improve the services we provide to patients, as well as define our annual quality priorities, which we set out in our annual Quality Account to the NHS.

Sentiment

- 97% of patients say their experience of our service in hospitals was 'Very Good' or 'Good'
- 85% of London Doctors Clinic patients gave four or five stars on Feefo
- 94% of NHS talking therapies patients were satisfied with treatment

Areas of interest	Action/outcomes
– Increased demand for patient care, in and out of hospital, due to longer NHS waiting times and a sicker population	– Care provided for over 993,000 patients (NHS and private) in 2024 – Expansion of care for private patients seeking to avoid NHS waiting lists – New agreement between the independent sector and NHS, in which Spire Healthcare is participating, improving efficiency and choice – Relationships with NHS GPs to enable patient choice – Expansion of Spire GP, new musculoskeletal offerings, Spire Mental Health and occupational health services to meet demand – Development of new Spire day case clinics to provide more outpatient capacity
– Increased need for care provided by corporates owing to ill health of employees	– New provision of corporate services through Spire Occupational Health, and Vita Health Group
– Need to provide safe and efficient patient pathways	– Increasing use of digital technology, offering in-person and virtual consultations and assessments, online brochures and appointment booking

Strategy: Building on quality, page 25

Chief executive officer's strategic review, page 14

Colleagues

Responsible executive owner
Group people director

Who they are and how we engage

Who they are

We have 17,600* colleagues: nurses, theatre teams, allied health professionals, non-clinical support (such as reception staff, porters, finance and human resources), central function teams, musculoskeletal, counselling and occupational health specialists and GPs.

Why they are important to us

Our colleagues interact with thousands of patients and clients every day and play a crucial role in delivering the highest quality care and outcomes. Non-patient facing colleagues are vital in making the business run smoothly and efficiently.

What is important to them

A fulfilling career with an organisation that offers opportunities for development, the chance to make a difference, and appropriate rewards and recognition for their efforts. Colleagues are supported to learn and develop.

How we engage

We value what our colleagues do, engage closely, and support them with their health and wellbeing, as well as in their professional lives and career aspirations. We gain regular feedback from colleagues and new starters, and those leaving the business. Our annual survey took place in November, including LDC and Spire Occupational Health colleagues and with the Vita Health Group (VHG) survey running concurrently. In March, a colleague survey champions day shaped actions from the 2024 survey to drive change.

Board engagement

The survey feedback we receive is analysed by the full board, remuneration committee and executive committee, with action plans put in place to respond to the findings.

*Number includes bank colleagues.

Sentiment

- 76% of colleagues proud to work for Spire Healthcare (hospitals business, LDC and Spire Occupational Health)
- 83% of colleagues happy with standard of care if friends or family treated
- VHG colleagues have an engagement score of 78%

Areas of interest	Action/outcomes
– Continued focus on colleagues' health and wellbeing	– Increased investment in wellbeing support, including mental health support – New menopause support option provided – Occupational health provided to all colleagues – Support available to colleagues promoted internally and externally
– National shortage of healthcare professionals across the UK, increasing pressure on existing workforce	– Nursing and other apprenticeship programmes, addressing future as well as current requirements – Introduction of new reward framework and reward packages in 2024 to attract and retain hospitals colleagues – Insourcing of recruitment to improve outcomes and reduce costs
– Continued focus on issues from feedback such as vacancies, volume of work	– Strong recruitment, retention, and development programmes – Surveys during the year, eg new joiner surveys, exit interviews, full annual survey – Forums with chief executive officer, executive committee, and board members when they visit sites – Regular all-hands calls and online sessions, 'askJustin' email address – Consultation with selected colleagues on key initiatives – Listening sessions with board members and hospital teams – Fortnightly listening calls with chief operating officer for hospital directors

Strategy: Investing in our workforce, page 29

Consultants

Responsible executive owner
Group medical director

Who they are and how we engage

Who they are
We work with 8,740 consultants, who operate as self-employed practitioners in our business. They are experts in their fields, drawn from all medical disciplines, who are granted privileges to practise in our hospitals, in line with our stringent medical governance procedures.

Why they are important to us
Our consultants are integral to providing high levels of medical care to our patients.

What is important to them
High-quality facilities, continuity of trained, committed employees providing support to help them establish and develop an efficient practice at our sites, and the quality of care that we provide to patients.

How we engage
We meet with consultants to plan individual procedures, understand their future needs and horizon scan for developing clinical innovation. They are invited to complete an annual feedback survey. In addition, each hospital has its own medical advisory committee (MAC) to advise the hospital director and the director of clinical services on any matter relating to the proper, safe, efficient and ethical medical and dental use of the hospital; they meet quarterly. Each medical specialty is represented. Topics including clinical quality, learning from concerns, incidents and complaints are discussed, plus feedback from members about matters concerning consultants. MACs are governed by standard terms of reference, and all discuss the same key items using a standard agenda. The medical director and associate medical directors attend MACs at hospitals, with the aim of attending all MACs at least annually. In addition, hospitals hold an AGM for their whole medical society, to which all consultants are invited. MAC chairs run performance appraisals for each consultant.

Board engagement
Feedback from our annual survey is reviewed by the board's clinical governance and safety committee and we use this to enhance the offer we provide to consultants. Board and executive committee members visit regularly to listen, learn and guide and there are biannual reviews with hospital directors.

Sentiment
- 84% of consultants say care provided in hospitals is 'very good' or 'excellent', up from 83% in 2023
- Improved relationship and closer involvement between MAC chairs, consultants and Spire Healthcare leadership
- Consultants experience stronger clinical and medical governance

Areas of interest	Action/outcomes
– Desire for improved digital solutions including one patient record – Desire for improved administrative processes	– Structured digitalisation and business transformation which will enhance working practices for consultants – Investment in equipment and marketing support, which create an improved patient experience and make it easier for consultants to do business with Spire Healthcare – Such investment results in improved feedback from consultants on the high-quality service we provide
– Ongoing need for open and regular dialogue with our consultants	– New consultant induction booklet and training sessions delivered in 2024 to improve communication, clinical governance and help new consultants build a safe and worthwhile practice – Fortnightly 'Two Minute Times' connects consultants with each other and with Spire Healthcare with a mix of national and local news – MAC chairs meet regularly with board members and executive committee – Continued close working with our MAC Chairs, led by group medical director – Continued rigorous oversight of all aspects of consultant clinical practice

Strategy: Building on quality, page 25

Suppliers

Responsible executive owner
Chief operating officer

Who they are and how we engage

Who they are
We work with a diverse range of organisations which supply the group with everything from medicines, equipment, services and food to people.

Why they are important to us
A reliable and effective supply chain is vital to us being able to carry out medical treatment and run the business. In an increasingly volatile environment, resulting from rising inflation and international conflicts, the existence of a reliable and effective supply chain was particularly important during 2024.

What is important to them
Clear policies, contracts and a strong relationship to ensure long-term and mutually beneficial commercial arrangements.

How we engage
We hold performance evaluation sessions with our existing suppliers, with the frequency determined by the nature of purchase and the risk profile of the goods or services supplied. Spire Healthcare's procurement team undertake detailed supplier assessments as part of tender evaluation processes to ensure a supplier's capabilities are aligned to the group's business requirements. We require suppliers to be contractually compliant on key issues, including modern slavery.

Board engagement
The audit and risk committee reviews all relevant risks in our supply chain as part of its annual risk assessments.

Sentiment
- Our strategic suppliers value our collaborative engagement
- Suppliers recognise our integrity and professionalism
- Key suppliers have recognised how their values are aligned to ours

Areas of interest	Action/outcomes
– Continuity in our supply chain a) Inflation b) Temporary cessation of supply of renewably-sourced electricity	– Work with supply chain to mitigate detrimental impacts from global product recalls, supply issues and supply chain friction a) Work with suppliers and internal stakeholders to minimise impact of inflation through effective use of demand and supply levers b) Ongoing delivery of solar installation and building management systems to reduce emissions impact c) Rephasing of trajectory to reflect impact until end of 2025

Engagement with stakeholders continued

Private medical insurers (PMI)

Responsible executive owner
Chief commercial officer

Who they are and how we engage

Who they are
Private Medical Insurers (PMI) provide medical insurance cover for both employees and individual members.

Why they are important to us
We have contracted relationships with all the major PMIs in the market. PMIs are a core part of our private business, representing around 45% of our hospital and clinic revenues.

What is important to them
The need to provide their members with prompt access to leading consultants, facilities and clinical teams with a strong track record on safety, quality and patient satisfaction. The move to digital booking channels and integration is now of increasing importance.

How we engage
Regular commercial and clinical review meetings are held with insurers, covering strategic initiatives, contract performance, clinical and financial governance, member satisfaction and operational and clinical KPIs. We also work to agree and action strategic joint projects. This is a key part of the relationship management of our payors and therefore is conducted quarterly.

We opened more cancer specialist centres with Bupa, adding a further two breast centres and our first prostate and bowel centres in 2024. Development work is ongoing, seeking to take the concept of specialist centres to musculoskeletal and other conditions.

Further work with Aviva, another of our key strategic partners, saw our hospitals and clinics join their hip and knee network as a preferred provider across England, Scotland and Wales in 2024.

Board engagement
The board supports management as needed in their relationships with leading PMIs.

Sentiment
- Spire Healthcare is viewed as a valued partner with a clear patient focus, always accessible, responsive and supportive
- Viewed as getting good outcomes for members and aligned in views on value based healthcare

Areas of interest	Action/outcomes
– Insurers want good engagement	– Regular proactive and real-time, open communications with the insurers: – Daily reporting at an individual hospital and service level of available care for private patients – Regular meetings with the PMI medical governance and operational leads – PMIs kept abreast of key strategic initiatives and plans to ensure rapid access to the best quality clinical care. Developing our propositions in partnership – Discussions on system integration and improved member experience
– Insurers looking for clear commitments on carbon emissions and ESG	– Shared detailed action plan with clear commitments to net zero
– Insurers seeking digital alignment	– Shared details of digital maturity and roadmaps for development

Our market, page 19

NHS and government

Responsible executive owner
Chief executive officer

Who they are and how we engage

Who they are
Within central government, we work closely with the Department of Health and Social Care (DHSC). We liaise closely with the NHS; we work with NHS England, Integrated Care Boards, local NHS trusts (and the equivalent in Scotland and Wales), and central NHS teams.

Why they are important to us
The government sets the political and regulatory environment in which we operate and overall NHS policy towards the independent sector. The NHS is a large customer, as we provide care for NHS patients, either through referrals, commissioning or contracts.

What is important to them
Our ability to provide high-quality, planned care for NHS patients, helping them to address waiting times and relieving pressure on NHS services.

How we engage
Our local leadership teams maintain their well-established relationships with NHS counterparts. As well as holding regular meetings, local NHS leaders visit our hospitals, to ensure they understand the capability we have and the services we offer. Our national leadership team maintains relationships with NHS central teams in England, Scotland and Wales. We have relationships with various DHSC and NHS England officials covering a range of portfolios and fed views into the government's new agreement with the independent sector and other issues through the Independent Healthcare Providers Network (IHPN).

Through Vita Health Group, we bid for NHS talking therapy and MSK contracts in England through central tendering processes. VHG has regular engagement with commissioners and the local health system where contracts are held.

Board engagement
Our executive committee liaises with their NHS counterparts to agree the contractual support we provide to them in meeting Britain's demand for healthcare.

Sentiment
- The NHS values our sustained commitment to providing high-quality care across England, Scotland and Wales
- The government has confirmed a new agreement between the independent sector and the NHS to work more closely on relationships, systems and training and to care for more NHS patients to reduce waiting times

Areas of interest	Action/outcomes
– New agreement confirms an expansion in patient choice for NHS patients – Local requests for assistance to address elective care backlog	– Patients are able to opt to receive care in a hospital of their choice, including one run by an independent provider. Spire Healthcare is listed as a provider to NHS patients when making a choice with their GP, and NHS GPs are increasingly open to speaking to patients about using independent healthcare – Recontracted with local commissioners for all Spire Healthcare sites and increased volumes in eReferrals – actively seeking more NHS work

Chief executive's strategic review, page 14

Engagement with stakeholders continued

GPs

Responsible executive owner
Group medical director
Chief commercial officer

Who they are and how we engage

Who they are
GPs treat all common medical conditions and refer patients to hospitals and other medical services for urgent and specialist treatment.

Why they are important to us
GPs are a critical part of our referral network, as most patients are referred to us by their NHS GP. For that reason, we seek to liaise closely with them. We are also seeing more patients self-refer. We have invested in a network of primary healthcare relationship managers available to all hospitals; these provide the key link with GPs and deliver training, education and information.

We also offer our own private GP services, Spire GP and London Doctors Clinic (LDC). They are a network of GPs, who are granted privileges to operate in our hospitals, in the same way as consultants, or are directly employed by, or contract with, LDC.

What is important to them
An understanding of our business and services, to make it easier for them to refer patients to us. They value a high-quality physical environment, suitable for consulting with patients.

How we engage
Our hospitals offer regular educational events which support the continuing professional development of NHS GPs which have been extended to include the LDC GPs. Hospital colleagues also provide educational events on site at NHS GP practices. We use the feedback that we receive to organise future events that are tailored to their ongoing needs.

Board engagement
Some of our board members are experienced medical practitioners and liaise with NHS GPs through medical forums and conferences.

Sentiment

- For our private GP network, they value the ability to achieve a portfolio career across the independent and NHS sectors
- 79% of respondents to the colleague engagement survey (LDC GPs colleagues) get personal satisfaction from their work (2023: 89%)
- NHS GPs value the relationship between their practice staff and our consultants
- NHS GPs are increasingly open to asking patients if they are insured and new government agreement empowers patients to exercise choice

Areas of interest	Action/outcomes
– Minor local issues/ opportunities raised about access to existing or new services	– Close relationships with NHS GPs and electronic referral system (eRS) as a major form of referrals – Capacity at all sites is constantly reviewed and new consultants engaged to increase capacity to meet demand

Business model, page 17

Corporates

Responsible executive owner
Chief commercial officer

Who they are and how we engage

Who they are
Corporates are the customers for our occupational health and employee assistance programmes, along with musculoskeletal and mental health services across Spire Occupational Health and Vita Health Group. Meanwhile, more corporates are providing PMI for their employees, who subsequently come to us to receive care.

Why they are important to us
We deliver care to employees, but the care is purchased by the corporate employer as a package to support occupational health and wellbeing, to prevent ill-health, stress reduction, health intervention, education and self-help. Therefore the corporate is our client and we seek to support their employees' health and wellbeing.

What is important to them
The need to provide their employees with access to leading advice, clinicians, facilities, locations and virtual services with a strong track record on safety, quality, patient satisfaction and good quality clinical advice and outcomes, to enable people to be healthy and productive and to stay in or get back to work.

How we engage
Account managers regularly engage with corporates who hold occupational health or employee assistance programme contracts, or both, to discuss current and future requirements and where bespoke services may be developed. Corporates hold contracts with us for mental and physical health on an annual or pay-as-you-go basis. We work with business leaders and their human resources, health and safety colleagues, wellbeing champions, preventative service teams and training departments to engage on the best mix of support for varied workforces and types of employer.

Board engagement
The board supports management as needed in their relationships with corporate customers.

Sentiment

- Clients appreciate transparent, responsive and consistent communication, being made aware of market trends and business updates and changes in legislation
- Contract holders feel prepared for upcoming legislation changes and pleased with the support provided, both proactive and included in contracts
- Growing need for mental and physical support owing to rising population ill-health makes corporates amenable to purchase our services: 47% of occupational health referrals are mental health or musculoskeletal related

Areas of interest	Action/outcomes
– Poor employer understanding of what occupational health can achieve, how to access services or how best to use their contract, but a growing willingness to learn – Need for specialist services to address trauma, stress, substance abuse, neurodiversity, menopause and mental health first aid – Request for support on new legislation on sexual harassment in the workplace – Support for high levels of sickness absence in employees and increased demand in ill-health retirement	– Marketing approaches to address customer understanding – Service promotion and training to help managers identify when employees would benefit from support – Development of bespoke services, webinars, training and information to meet corporates' needs – Mental health first aid training (MHFA) delivered to line managers

Engagement with stakeholders continued

Regulators

Responsible executive owner
Group clinical director

Who they are and how we engage

Who they are
We are required to engage with a range of financial, clinical, health and safety, and competition and market regulators.

The principal healthcare regulators we engage with are the Care Quality Commission (CQC), the Healthcare Inspectorate Wales (HIW) and Healthcare Improvement Scotland (HIS). Safe Effective Quality Occupational Health Service (SEQOHS) accredits occupational health services.

Why they are important to us
Each of our hospitals and clinics, and some VHG sites, are required to be registered with the relevant national healthcare regulator in order to be authorised to offer services to patients.

What is important to them
Compliance with the law and all relevant regulations.

How we engage
We have regular dialogue with the healthcare regulators nationally, with good relationships with the group clinical director. Recent changes made by CQC have removed local relationship owners at the hospital level, but these may be reinstated in 2025. Our hospitals have focused on contact with inspection teams pre, during and post formal inspections. Individual locations draw up and implement improvement plans on the basis of feedback from regulators.

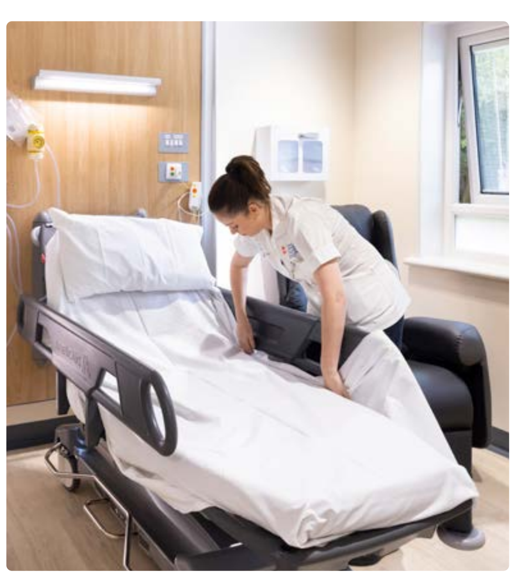
We have regular calls with CQC, HIW and HIS to understand the changing face of regulation, and to provide assurance to the regulators of action being taken to maintain and improve safety and quality, and share good practice. For other regulators, such as the Competition and Markets Authority, we have a dedicated legal team who, with external counsel, monitor and advise the group on legal and regulatory developments. Spire Occupational Health works closely with SEQOHS regarding accreditation.

Board engagement
The board supports management with assurance of effective ward-to-board governance processes and reviews collated feedback from regulators to identify trends and drive responses.

Sentiment
- 98% of our inspected locations are currently rated 'Good' or 'Outstanding' or the equivalent by regulators in England, Scotland and Wales
- All inspected VHG locations are currently rated 'Good' by CQC

Areas of interest	Action/outcomes
– CQC faced challenges in 2024 and are changing how they regulate. CQC are not yet able to confirm what these changes will be in 2025 – Registration of new clinics	– We are working with CQC to understand the changing face of regulation and its impact on our business – Extensive training for colleagues on the changes – further training will be undertaken when appropriate – All clinics registered or registration amended in time for opening
– Spire Occupational Health rebranding	– Safe Effective Quality Occupational Health Service (SEQOHS) awarded Spire Occupational Health full accreditation, the industry standard for occupational health, in late 2023

Strategy: Building on quality, page 25



Investors and lenders

Responsible executive owner
Chief executive officer
Chief financial officer

Who they are and how we engage

Who they are
Shareholders, potential shareholders, analysts and lenders. Our largest investor is Mediclinic, which holds a 29.8% stake in Spire Healthcare and has a seat on the board.

Why they are important to us
Our investors and lenders help to ensure we have access to the resources, support and finances we need to develop and grow the business.

What is important to them
Investors and lenders are looking for sustainable returns from any capital outlaid and are keen to understand how we are building our private business, working with partners such as the NHS and private medical insurers; expansion into new growth areas of healthcare; risk and returns appetites; and how we work sustainably and support the community.

How we engage
Our director of investor relations manages our relationships and engagement with shareholders and analysts. This includes regular interaction with members of the board and executive committee.

We also maintain regular contact with lenders and keep them informed on all major issues affecting the business. Our full year and half year results were presented as hybrid events; both were well attended. We regularly gather feedback and use this to guide our future investor relations strategy.

Board engagement
Our chairman, senior independent director and executive directors meet regularly with investors alongside the director of investor relations.

Sentiment
- Investor feedback received is generally good, with support for management and the board, the group's strategy and progress against our targets
- Lack of share liquidity is sometimes a barrier for investment for institutional investors

Areas of interest	Action/outcomes
– Capital allocation – use of surplus cash generated, capex, margins and return on investment	– We balance use of surplus cash between a number of areas including core business investment, reduction of leverage, M&A opportunities and payment of dividends to our shareholders – We continue to invest for growth to improve margins and return on investment
– Ability to increase margins and returns; notably regarding transformation cost savings and management of payor mix	– Capital markets event focusing on these areas – Improved disclosure and analysis to aid understanding – Delivery of more than £20 million in cost savings in 2024 – Price rises where appropriate, managing our mix of services, being more selective in products used
– Environmental, social and governance (ESG) impacts	– Net carbon zero target by 2030 – Sustainability committee with nominated owners for each section of the sustainability strategy and a scorecard developed for each area. Goals to be reviewed in 2025
– Recovery of our private self-pay business has a critical impact on Return on Capital Employed and other measures	– Presentations to investors and analysts

Risk management and internal control, page 65

Financial review, page 84

Strategy, page 21

Engagement with stakeholders continued

Community

Responsible executive owner
Chief executive officer

Who they are and how we engage

Who they are
Our business plays an important part in the communities in which we operate.

Why they are important to us
We want to be involved in the local communities of our patients, existing and future colleagues. As a responsible business, we have a duty to give back to these areas and contribute to their greater wellbeing. We also have a duty of care to the environment and have plans aimed at becoming net zero carbon by 2030.

What is important to them
A strategy and local activity that focus on the ethical, social, environmental, cultural and economic dimensions of doing business.

How we engage
Local teams forge relationships with community organisations in their locality and liaise with local authorities and other local groups when investment projects are planned which may cause disruption to residents. Many hospitals, clinics and teams in our primary care services, also undertake fundraising initiatives for local charities. Nationally Spire Healthcare undertakes company-wide charity activities and other community initiatives.

We are engaged in environmental projects to reduce our greenhouse gas emissions and manage our waste effectively. Engagement with Integrated Care Systems, including local authorities and community services, can provide closer links with local health and social care communities around our hospitals and clinics.

Board engagement
The board reviews our sustainability and environmental ambitions on a regular basis.

Sentiment

- Charities receiving donations express gratitude and explain what can be provided for recipients through monies raised
- Longer-term relationships with local sites are valued and bring communities closer

Areas of interest	Action/outcomes
– The cost-of-living crisis has affected people in the communities we serve, creating charitable need	– Our 2024 charity drive in the hospitals business raised £17,000 for Maggie's cancer charity and much more for local causes around Britain selected by local hospitals – As a business we support several major fundraising and awareness events such as Macmillan's coffee mornings and Breast Cancer Now's 'wear it pink' – Vita Health Group (VHG) introduced one day's paid leave for colleagues to volunteer each year in 2023 – over 80 people used this option in 2024 to benefit their communities
– Growth in need for talking therapies and musculoskeletal support in local NHS communities	– VHG works with voluntary sector partners to stimulate referrals and bring services to local communities – VHG engaged with local partners to better understand patient groups to improve access and outcomes

Chief executive's strategic review, page 14 and Sustainability, page 38

Our key performance indicators

We use a range of financial and non-financial metrics to measure performance in line with our strategy and to deliver strong financial performance.

Non-financial KPIs

Colleague engagement index >80%

Why is this a KPI?
We are a people business. Having engaged colleagues is not only important for their own wellbeing, but also helps them in their daily efforts to provide high-quality care to our patients.

Hospitals
76%
2023: 81%

Primary Care Services
78%
2023: 81%

Performance
Despite ongoing transformation across the hospitals business, we are achieving high levels of colleague engagement – 76% of colleagues said they felt proud to work for Spire Healthcare (2023: 81%), based on an 83% response rate. The 2023 colleague survey applies to Spire Healthcare Limited and The Doctors Clinic Group.

Vita Health Group achieved an engagement score of 78% (2023: 81%) with a response rate of 82% (2023:80%). Questions on leadership and culture scored highly and there is work underway to improve communication and reward.

Apprentices constitute 5% of our workforce

Why is this a KPI?
There is a shortage of clinicians in the UK and worldwide. We are committed to building up the talent pipeline for our business and for the UK healthcare sector more widely.

Group
3%
2023: 4%

Performance
We now have over 350 clinical and non-clinical apprentices in the hospitals business and 36 in Vita Health Group, which is almost 3% of our permanent workforce. Over 110 colleagues graduated from an apprenticeship in 2024.

We will continue to make apprenticeships an attractive option for new and existing colleagues and ensure both learning and supervising colleagues are fully supported.

100% CQC/HIS/HIW Good or Outstanding

Why is this a KPI?
Providing personalised quality care is our daily responsibility and a key business driver. We seek to reach 100% Good or Outstanding ratings from regulators in England, Scotland and Wales.

Hospitals
98%
2023: 98%

Primary Care Services
100%
2023: 100%

Performance
98% of inspected hospital and clinic locations are rated 'Good' or 'Outstanding' or the equivalent by regulators in England, Scotland and Wales. 100% of inspected Vita Health Group and London Doctors Clinic locations are rated 'Good' by CQC in England. We await re-inspection of Spire Alexandra in Kent, not inspected since 2016/17.

>75 net promoter score among admitted hospital patients

Why is this a KPI?
Our net promoter score (NPS) metric measures admitted patients' likelihood to recommend Spire Healthcare to friends or family in need of similar treatment. This is a key indicator of customer satisfaction and the quality we are delivering to our patients.

Hospitals
79%
2023: 80%

Performance
We continue to achieve high levels of private patient recommendation. NPS among admitted patients was 79%, down slightly from 80% in 2023.

At Vita Health Group, the NPS is 80 (2023:84) overall for corporate musculoskeletal clients (with employee assistance plan corporate customers scoring 95 (2023:97)).

We continue to monitor all patient feedback to drive continuous improvement.

Non-financial KPIs continued

Net zero carbon emissions (tCO_2e) by 2030

Why is this a KPI?
We continually seek ways to reduce our impact on the environment. We are reducing our carbon emissions, focusing our efforts on waste and recycling, while working with our suppliers to align goals to develop healthcare in sympathy with a sustainable planet. This is the responsible approach of any healthcare business.

Group

6%
behind target for 2024 emissions
(26,522 tCO_2e achieved, target 24,963 tCO_2e)
(2023: 3% ahead)

Performance
In 2024, we extended our target reporting boundary to include our subsidiaries, Vita Health Group and The Doctors Clinic Group. Our emissions were 26,522 tCO_2e, which is a 24% reduction since our 2019 base year. As our interim annual target for 2024 was 24,963 tCO_2e, our performance was 6.2% over target.

Despite missing the target, we still reduced emissions from 2023 to 2024 by 1,197 tCO_2e and we continue to make good progress from the base year 2019, reducing emissions by 8,388 tCO_2e.

40% female membership of board and executive committee by 2025

Why is this a KPI?
Spire Healthcare wants to support women to become leaders within the business. More diverse boards are more effective; diversity drives innovation and better decision-making and is reflective of the group and its employees.

Group

47%
2023: 47%

Performance
The combined executive committee and board demographic in 2024 is 47% female, level with 2023.

Our executive committee demographic is 33% female (2023: 38%). We are supporting women to become leaders within the business, and we have five women on our board, moving the board's gender balance to 50% women (2023: 45%). We are recognised as the first company in healthcare in the FTSE 250 Women Leaders Review, in which our executive committee and their direct reports combined is listed as 55% female at 31 October 2024 (2023: 58%).

Year-on-year reductions in gender pay gap

Why is this a KPI?
Our purpose is to make a positive difference to people's lives and that includes all our colleagues. Gender pay reflects the structure of our workforce and is a reflection of the differences in the balance of male and female workers within the wider healthcare sector.

Hospitals

11.6%*
2023: 9.2%

Group

12.3%
2023: 9.1%

* Percentage refers to Spire Healthcare Limited

Performance
In 2024, the overall median gender pay gap in Spire Healthcare Limited was 11.6% (2023: 9.2%). The median gap in Spire Healthcare Group was 12.3% for 2024 (2023: 9.1%) which is below the Office for National Statistics median of 13.1% published in October 2024.

We have focused on understanding our gender data better in 2024. The introduction of the job framework for hospital colleagues provided clarity on progression pathways, enabling better flow and retention of female talent. We have reviewed, updated and created new policies to support all women in our workforce.

Please see the Sustainability report for more information on page 38

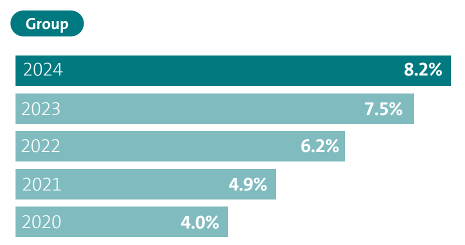
Our key performance indicators continued

All three financial KPIs described below align with Spire Healthcare's strategy and the medium-term financial objectives.

Financial KPIs

ROCE* >10% by 2027

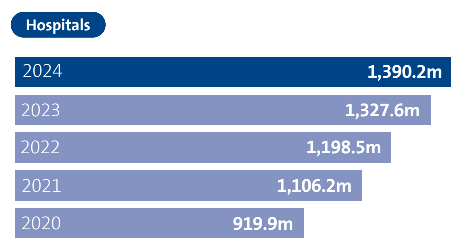
Why is this a KPI?
ROCE is an important metric and measures how well the group's capital is being deployed to generate returns. Adopting ROCE as a KPI influences future investment strategy by the business to ensure that available capital is directed towards generating improving shareholder return.



Performance
Spire Healthcare seeks financial discipline with a clear capital allocation policy and targeted investment. We have improved operational effectiveness with our efficiency programmes which delivered more than £20 million savings in the year. We have also implemented price rises where appropriate, managed our mix of services and been more selective in the choice of products we use. The strong operational performance in the period resulted in adjusted EBIT climbing by 14.6% (12.4% on a comparable basis) to £149.4 million, leading to a material improvement in ROCE, up by 0.7 percentage points to 8.2%.

Maintain Revenue CAGR c5%

Why is this a KPI?
Monitoring revenue provides a measure of Spire Healthcare's growth.

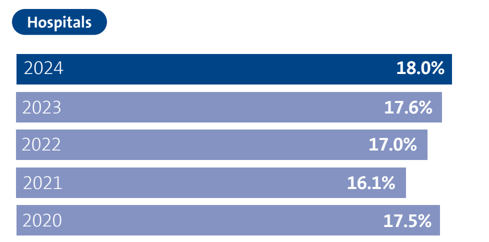


Performance
Overall revenue was £1,511.2 million, up 11.2% compared to 2023, up 6.2% on a comparable basis

Hospital revenue was £1,390.2 million, up 4.7% compared to 2023, up 5.5% on a comparable basis

Adjusted EBITDA* margin >21% by 2027

Why is this a KPI?
The margin we achieve reflects the group's efficiency in generating shareholder returns from the hospital business, which excludes primary care services. An increasing margin makes the profit more resilient to adverse effects and demonstrates the group's strategy for managing cost and targeting private payors is the right one.



Performance
Adjusted EBITDA for the group was £260.0 million in 2024, up 11.1% from 2023, up 9% on a comparable basis.

Hospital adjusted EBITDA was £249.7 million, up 6.8% on 2023, up 7.1% on a comparable basis. Hospital adjusted EBITDA margin was 18.0%, up from 17.6% in 2023.

* Refer to page 88 for a reconciliation of non-GAAP financial measures.

Risk management and internal control – for more information see page 65

Read more in our Financial review page 84

Risk management and internal control

"Responsibility for risk management and internal control systems lies with the board of directors."

The board has a consolidated view of key risks from across Spire Healthcare. Our risk management and internal control processes are managed through the audit and risk committee (ARC) in association with the clinical governance and safety committee (CGSC).

Risk management

The risk management framework (shown diagrammatically on page 68) is designed to identify, evaluate and mitigate the risks that we face at all levels. All significant risks are recorded on our risk management system.

We have reviewed a range of potential emerging risks and their possible impact on Spire Healthcare, using internal and external sources of emerging risk information, for example:

- The University of Cambridge Judge Business School Centre for Risk Studies' taxonomy of business risk
- The UK government's national risk register
- The World Economic Forum's annual risk assessment

We use the risk register to manage all significant risks facing Spire Healthcare by assessing risk in terms of consequence and likelihood. Our risk management methodology captures the assessment of risk on a 'current' or 'net' basis, after existing controls are considered. The detailed registers also include management actions to further reduce risk exposures when considered necessary. In the case of the principal risks, sources of assurance over mitigation of the risks are also reported to the ARC. Reporting of risk within our management information (eg, to the executive committee and ARC), is on a current basis, and the importance of each risk as presented in this report is on the current basis. The relative exposures from the principal risks to Spire Healthcare are shown on page 66.

All risks have an identified risk lead in charge of monitoring and mitigating the risk. Management reviews risk registers in line with the risk management policy at intervals of one, three or six months or when there is imminent change in the risk environment such as legislation.

Current risk environment

We believed the geopolitical risks in 2024 would be volatile, and they have proven to be with escalation of conflicts in the middle east and Europe and several countries experiencing political instability (eg Germany, France and South Korea), although election results have had clear outcomes in the UK and USA. Despite increased risks of disruption, our supply chains remained resilient, and we have not experienced any major disruption to date.

Looking ahead to 2025, we believe the international geopolitical environment remains volatile, while domestically the economy will experience modest growth. The Bank of England's November 2024 Monetary Policy Report (published ahead of the budget) reported external forecasters' expectations of GDP growth averaging 1.6% in 2025-27, with unemployment and CPI broadly steady at 4.1% and 2.1% respectively. The rise in national insurance and minimum wage announced in the budget, and the pay awards in the NHS will have an impact on our cost base as highlighted in principal risk 'inflation and wage inflation' on page 69.

Risk appetite

While we make every effort to ensure that all risks are as low as reasonably achievable, it is not possible to reduce all risks to zero. Decisions must therefore be made as to whether the benefits and best use of resources outweigh the risks.

We define our risk appetite as the amount of risk we are prepared to accept, tolerate, or be exposed to at any time. We are committed to doing everything reasonably possible to reduce risk for all patients and to deliver high-quality, efficient and effective care. We are uncompromising on patient safety relating to our clinical service delivery. The lowest risk appetite applies to all safety and compliance objectives, including preventable patient harm, and public and employee health and safety. We have a higher risk appetite for the pursuit of innovation and our strategic and operational objectives. This means meeting legal and other regulatory obligations will take priority over other business objectives.

We apply the following definitions to our risk appetite for the strategic principal risks:

- VL **Very low:** A high level of risk mitigation or risk avoidance representing the safest strategic route available
- L **Low:** Seeking to integrate sufficient control and mitigation methods to accommodate a low level of risk
- B **Balanced:** An approach that brings a high chance for success, considering the risks, along with reasonable rewards, economic and otherwise
- H **High:** Willing to consider bolder opportunities with higher levels of risk in exchange for increased business payoffs
- VH **Very high:** Pursuing high-risk, unproven options that carry with them the potential for high-level rewards

The risk appetite for each principal risk is shown on pages 69 to 76 in the detailed risk descriptions.

Principal risks outside of risk appetite

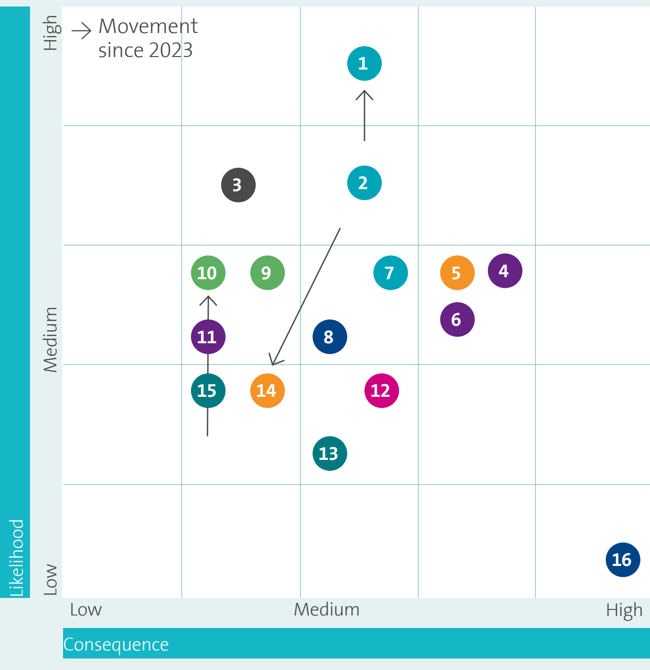
There are no principal risks outside of our risk appetite.

Principal risks

The diagram shows the principal risks of the group. Further detail on the individual risks is provided on pages 69 to 76.

The principal risks fall under the following categories:

Ranked by likelihood	Category
1 Inflation and wage inflation	*Financial*
2 Private market dynamics	*Financial*
3 Climate change	*Environment*
4 Cyber security	*Technology*
5 Organisational transformation	*People*
6 Digitalisation, automation and efficiency	*Technology*
7 NHS market dynamics	*Financial*
8 Brand reputation	*Social*
9 Government policy	*Geopolitical*
10 Supply chain disruption	*Geopolitical*
11 Major infrastructure failure	*Technology*
12 Clinical quality	*Clinical and patient safety*
13 Expanding our proposition	*Corporate governance*
14 Workforce	*People*
15 Data protection	*Corporate governance*
16 Antimicrobial resistance	*Social*



Material change to our risk profile from 2023

During the course of 2024, we regularly reviewed our principal risks and made the following changes as reported in our interim financial statements:

- Sub-divided the principal risk 'information governance and security' into its constituent parts of data protection (renamed from information governance) and cyber security (see below)
- Reclassified the PMI and self-pay market dynamic risks into a private market dynamic risk (see below) and described a separate NHS market dynamic risk that was previously included in government and NHS policy
- Inflation and wage inflation risk has increased following the increases in employer's national insurance contributions and minimum wage announced in the 2024 autumn budget
- Supply chain disruption risk we judge to be increasing in light of current geopolitical tensions
- Workforce risk has decreased as a result of lower staff churn rates and lower vacancy rates (see page 75)

In recognition of the scale of the digitalisation programme, we now report a principal risk of organisational transformation.

Inter-relationships of principal risks

We recognise the strong inter-relationships between the principal risks. The risks that would have the most material impact on other principal risks are:

- Clinical quality
- Inflation and wage inflation
- Cyber security

Emerging risks

The board considers emerging risks to be those with the following characteristics:

- Any manifestation of the risk is most likely outside of the normal strategic planning horizon of five years
- Are risks for which we have little or no prior experience because of their novelty or highly uncertain nature
- There are no practical control measures that can be taken now but a longer-term strategic response may be appropriate

The emerging risk process is as follows:

- The executive committee prepares an annual analysis of long-term global trends that may lead to emerging risks and opportunities
- It then recommends specific long-term risks to be added to an emerging risk register for monitoring and consideration in our strategic planning process
- The board, via the audit and risk committee, reviews and approves the potential emerging risks and opportunities that the executive committee is monitoring

Internal controls

1) Standard policies and procedures

We have documented policies and standard procedures in place covering all significant activities and areas of risk, which are subject to regular review and update by the policy approval committee (PAC) comprising a cross functional membership of subject matter experts. The PAC reports into the safety, quality and risk committee. The PAC meets eleven times a year and publishes updates to policies on our intranet. All policies are required to follow a standard process for creation and review. There is a standard structure for procedures and guidelines to provide our colleagues and consultants with further operational detail for policies where required. The default review period once a policy is approved is three years but can be shorter if required. There are certain policies that the board reserves the right to approve, for example treasury management, raising concerns and risk management policies.

2) Assurance over clinical delivery and clinical regulatory compliance risks

As a provider of clinical services to patients, we face a specific set of non-financial risks associated with such provision. We have strong control structures as described below.

- The group medical director oversees the governance of the medical professional standards of 8,740 consultants through the medical professional standards committee, the management of patient reviews and recalls, the processes for the management of practising privileges and setting medical governance policy
- The integrated quality governance team supports a suite of clinical audits which assess compliance with key areas of patient safety
- In 2024, two major improvements to the clinical quality control framework were rolled out. First, in January 2024, we issued the new group wide integrated quality governance structure for Spire Hospitals. Second, in March 2024, we rolled out the new Patient Safety Incident Response Framework (PSIRF) (see page 26)
- The central clinical team oversees a national programme of clinical reviews including testing, according to the approach taken at regulatory inspections
- The central clinical team also oversees the drafting, communication and training of a comprehensive set of clinical policies and procedures for Spire Healthcare. These form part of the overall framework for clinical safety governance and quality, to ensure that clinical risk and clinical regulatory compliance is managed effectively across all registered sites. The governance activities are monitored by the integrated quality governance team and are reported regularly to the safety, quality and risk committee, the executive committee and the clinical governance and safety committee
- Each hospital has a risk register through which clinical and medical risks are managed, mitigated and escalated
- Comprehensive, non-financial management information on quality including safety, clinical effectiveness and patient experience is produced and reviewed monthly against pre-agreed standards by the corporate integrated quality governance and clinical teams and reported to the safety quality and risk committee sub-committee bi-monthly and reported to the clinical governance and safety committee quarterly
- We are subject to substantial levels of external inspection and review, both by the range of national healthcare regulators (CQC/HIW/HIS), and through invited assurance inspections such as the rolling programme of health and safety inspections carried out by third-party specialists. The executive committee and the clinical governance and safety committee review the outcomes of these activities. In 2024, we had a total of four CQC and HIW/HIS inspections, all producing ‘Good’, ‘Outstanding’, or equivalent performance assessments
- We have maintained throughout 2024 the structures and processes to provide the level of evidence and assurance required to monitor clinical regulatory compliance

3) Financial and operational controls

Our design of our finance function splits resources across on-site finance directors at each hospital, supported by a central finance function based in Reading.

We received regular fraud updates from the NHS Counter Fraud Authority during the year and, where relevant, disseminated the fraud alerts to relevant colleagues. We were subject to daily direct and indirect cyber-attacks during the year. We have prepared response plans to cyber-attacks utilising both in-house and third-party experts. After any incident, we undertake a full incident review and reflect learnings into our cyber-security environment.

The fundamental financial controls as reported in 2023 remained in place during 2024, namely:

- The annual process of preparing business plans and budgets, followed up by close monitoring of operational performance by the executive committee and the board
- Weekly forecasting and actual reviews to drive corrective actions
- Monthly monitoring of actual results, compared to budgets, forecasts and the previous year
- All material capital, leasing and acquisition projects are subject to an investment evaluation and authorisation procedure, including board approval, when the forecast expenditure exceeds the level of delegated authority
- Common accounting policies and procedures
- Our cash flow position is regularly reviewed to ensure that our borrowings are aligned with our growth. Half yearly detailed cash flow forecasts are reviewed and used for controls over going concern, goodwill impairment and banking covenant assessments
- Forced segregation of duty and senior review of all payments made
- Other non-financial operational risks are managed by means of the application of best practice, as defined by group policies and standard procedures, in areas such as project management, human resources management and IT security and delivery, supported by detailed performance monitoring of outputs and issues
- Consolidation of our accounts bi-annually for accurate reporting purposes
- Key account balance sheet reconciliations to ensure accuracy within our accounts

Other non-financial operational risks are managed by means of the application of best practice, as defined by group policies and standard procedures, in areas such as project management, human resources management and IT security and delivery, supported by detailed performance monitoring of outputs and issues.

The Financial Reporting Council published the 2024 Corporate Governance Code requiring new disclosures over our risk management and internal control environment for our fiscal year starting 1 January 2026. We continue to prepare for these new requirements by documenting and strengthening our internal financial controls where appropriate.

4) Internal Audit

An in-house director of internal audit was supported by a dedicated team from KPMG who provide co-source internal audit resource. From 2025, this service has moved to RSM. The activities of internal audit are reported in the audit and risk committee report on pages 105 to 110.

Continuous learning

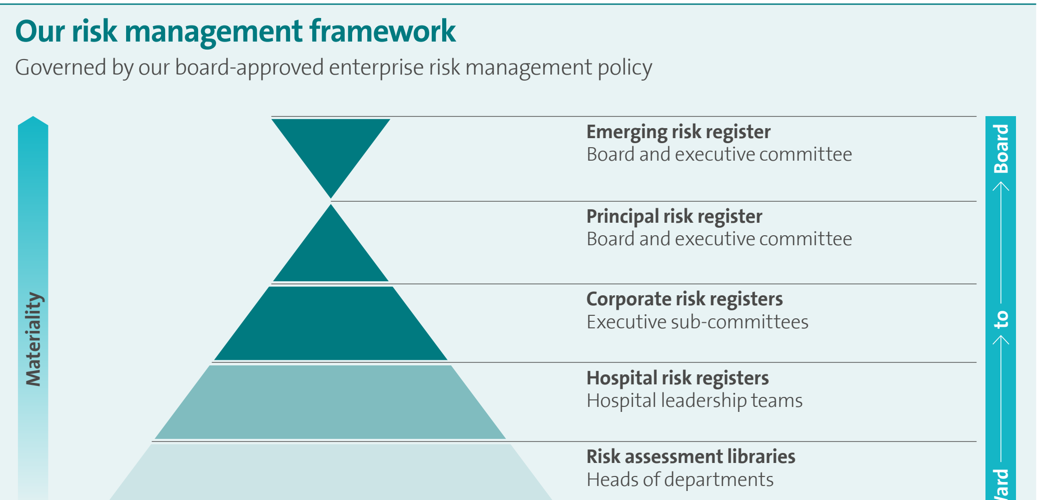
Our process of continuous improvement through events, knowledge and awareness will help us to make progress. We recognise this unequivocally and its importance in driving outstanding quality. No matter how robust and reliable, internal control systems and risk management cannot guarantee to remove all error or loss. We take all instances of incidents (including near misses), complaints, control failures, regulatory non-compliance, or other risk events seriously. As such, we have a detailed process in place to understand the cause and identify learning to minimise the chances of recurrence.

We actively promote an open culture to positively encourage the reporting of all risk events and other issues arising. Hospital management, the executive committee, the ARC, and the CGSC closely monitor the number and nature of events arising, and the operation of incident management processes.

We offer various channels through which colleagues can report any issues or concerns. The main channel for raising concerns is the Freedom to Speak Up guardians (FTSU) that were introduced into every Spire Healthcare hospital, corporate team and VHG. Other channels include a central raising concerns team, members of the executive team and board, and an independent whistleblowing helpline to facilitate anonymous reporting of issues or concerns that they are unwilling to raise via any other channel. We have an independent national corporate guardian who oversees and supports the guardians (see Strategy: Building on quality, page 27).

Our risk management framework

Governed by our board-approved enterprise risk management policy



Risk management and internal control continued

Link to strategy

1. Inflation and wage inflation

Executive owner(s): Chief financial officer/Chief operating officer/Chief people director

Risk description

Consumer Price Inflation in the UK was 2.5% for the year to 31 December 2024. The Bank of England reduced the base lending rate to 4.5% in February 2025, but the Bank of England remains cautious about service sector and wage inflation. There is still risk of further energy price shocks and food price shocks from increased geopolitical tensions in Ukraine and the Middle East.

The Bank of England's baseline prediction for 2025 is 3.2% for average private sector wage growth, but report companies surveyed expected wage growth nearer 4% (November 2024 Monetary Policy Report). National insurance contributions increase to 15% from 1 April 2025 with significant increases to minimum and national living wages (range 6.7%-18%).

Despite these inflationary headwinds the expectation is that the primary growth drivers for healthcare will remain medium term, namely NHS waiting lists stimulating stable/growing PMI lives covered and a self-pay market which is larger than pre-pandemic.

Risk impact

- Higher staff churn because of more competitive pay in other sectors/other healthcare providers or higher staff costs to maintain competitive pay and benefits
- Reduction of self-pay patients as inflationary pressures reduce affordability and reducing volumes
- On contract renewals, PMI providers take more aggressive stance on pricing to mitigate from recent inflationary increases, reducing margin
- NHS tariff increases are below the level of inflation thus reducing margin
- Tax bill higher further to national insurance increase

Risk mitigation

In response to macro inflationary pressure, we continue to benefit from a range of inflation mechanisms built into the PMI contracts and will benefit from our ability to change self-pay pricing quickly via our pricing engine subject to prevailing market conditions. Our conversion rate from outpatient appointment to inpatient procedure remains stable. Our procurement team maintains a constant review of pricing and seeks opportunities to mitigate inflationary increases.

We continue to respond to changing economic circumstances by optimising our private and NHS-funded work, ensuring we are not over-reliant on one income source, and supported by an efficient cost base.

Risk appetite | **Risk movement:** 2023 2024

Link to strategy

2. Private market dynamics

Executive owner(s): Chief commercial officer

Risk description

There is a risk that private healthcare demand softens after the post-pandemic period of growth because of:

- The significant buying power of the top four insurance providers which have an estimated 90% market share. We have individual contractual relationships for the provision of our services with all the major PMI providers. These contracts come up for renewal on a recurring basis. It is possible that renewal of contract terms cannot be secured on historical terms

The self-pay market softens because of:

- A material lowering of NHS waiting lists for key self-pay procedures within the Spire footprint, reducing demand
- Affordability among our core target market decreases as inflation or higher tax take reduces disposable income
- Growth in the self-pay market is constrained by low growth in the UK economy
- New competitors price to secure market share

Risk impact

- Loss of, or renewal at lower tariffs, of an existing PMI contractual relationship with any of the key insurers could significantly reduce our revenue and profit
- In 2024, self-pay patients contributed 22.6% of group turnover. A material reduction in the self-pay market could have a material impact on our profitability and margin

Risk mitigation

We invest in high-quality patient care service to our self-pay and insured patients of our PMI partners.

We ensure we have long-term contracts in place with our PMI partners that avoids co-termination of contractual arrangements.

We believe that continuing to invest in our well-placed portfolio of hospitals provides a natural fit to the local requirements of all the PMI providers long term.

We continue to invest in efficiency programmes to ensure that we can offer the best combination of high-quality patient care at competitive prices.

Since 2022, we have deployed national multi-media advertising campaigns highlighting the key benefits of private healthcare to increase our brand awareness.

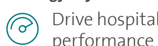
We are strengthening our operational capability with further enhancements to the website (content and functionality) and call centre resilience and training.

We have adopted sophisticated pricing capability.

We are promoting patient financing as a payment option.

Risk appetite | **Risk movement:** 2023 **N/A** 2024

Strategy key

 Drive hospital performance
Build on quality
Invest in our workforce
Champion sustainability
Expand our proposition
Deliver strong financial performance

Link to strategy

3. Climate change

Executive owner(s): Chief financial officer

Risk description

Climate-related risks have been identified through the enterprise risk management process. In 2023, we undertook scenario analysis to identify our short-, medium- and long-term risks from climate change.

Following the structure of the Taskforce on Climate-related Financial Disclosures (TCFD), we face risks and opportunities from the transition to a low carbon economy and physical risks from a warming climate. This principal risk is an overarching description of those individual risks that are described in greater detail in our TCFD annual reporting.

We may, in the medium to long term, be indirectly at risk from societal risks related to climate change, eg, food security.

Risk impact

Severe stormy weather has the potential to cause major damage and disruption to our sites. Storm events raise the risk of floods at our buildings due to rising external water levels. Our hospitals would be badly affected by flooding should it occur, as water ingress would affect medical equipment and risk the hygiene of our premises and safety of our patients.

Extreme weather events will also disrupt our patients, staff, and consultants' ability to attend our facilities.

Prolonged spells of extreme ambient temperatures could lead to an inability of existing critical Heating, Ventilation and Air Conditioning (HVAC) systems to cope with required cooling and potentially cause cancellation of procedures and operations.

Providing healthcare services is a relatively energy intensive business. We are vulnerable to fluctuations in energy prices driven by rising carbon costs imposed on power generators as well as through increasing taxation at the point of consumption.

Risk mitigation

Flood risk mitigation includes a continued periodic review of our estate in relation to existing and predicted flood risk zones and investment in improved roofing and drainage where vulnerabilities have been identified. None of our current sites are situated in predicted high risk flood zones or in coastal areas predicted to be at risk from rising sea levels.

Extreme ambient temperature risk mitigation includes an informed investment plan for upgrade of failing and vulnerable plant. Design of the replacement and upgrade would account for the predicted increase in ambient temperature profiles expected within the lifespan of the plant eg, 15 years. Further mitigation measures include extreme weather warning protocol and business continuity plans to provide emergency loan HVAC plant.

Energy price risk mitigation includes energy efficiency measures to reduce consumption and our energy hedging strategy which has seen all our current energy requirements secured until December 2025.

Risk appetite | **Risk movement:** 2023 2024

Link to strategy

4. Cyber security

Executive owner(s): Chief operating officer/General counsel

Risk description

As a healthcare organisation, we must manage and maintain a range of physical and digital data assets including patient records, commercial information and staff data. Our intelligence indicates that healthcare data remains highly valuable to criminal and hostile state operators. There is a risk that:

- We will be subject to hostile and sophisticated cyber activity against our IT systems and applications
- Supply chain cyber-attacks become more prevalent as a means to gain unauthorised access to that organisation's systems or data
- We, and through our supply chain, do not respond effectively to a cyber-attack
- Someone inside the company exploits a system to cause damage or steal data.
- Phishing email attacks, the most common form of cyber-crime, breach our defences

Risk impact

Our business could be disrupted if its information systems fail, are breached, destroyed or damaged. Colleague and patient data could be stolen or compromised. We could also be subject to litigation by third parties and enforcement action from regulators. A successful cyber-attack and a breach of data security could result in:

- Material costs to recover operations
- Operational risk with IT services not being available
- Material financial penalties for breaches of data protection law
- Compensation for patients or staff if personal data is compromised
- Reputational damage
- Stolen credentials (the most common cause of data breaches) as a result of a successful phishing email attack being used for data theft, financial losses, and reputational damage.

Risk mitigation

The data strategy, governance and security committee monitor the risk and mitigations for cyber security. The committee reports into the executive committee with a separate reporting line to the audit and risk committee. To support this governance structure, we have a range of policies and practices, and mandatory staff training covering cyber security (more detail on page 54).

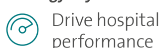
Our IT team have a cyber-security strategy for continuous improvement based on industry standards. It covers the processes from identifying specific risks, to protecting physical and digital data assets through to recovery in the event of a successful cyber-attack.

We work with several industry-leading technical partners to provide:

- Multiple layers of security controls providing advanced detection and protection capabilities
- Regular third-party penetration testing on new and existing IT systems
- Red-teaming exercises to attempt to access our systems using a variety of real-world techniques
- Managed Security Operations Centre (SOC) to monitor, analyse and respond to security threats 24x7
- Threat intelligence from a variety of external sources
- Varonis DatAlert system is in place for user behaviour analytics that uses algorithms and machine learning to detect anomalies in the behaviour of both users and devices
- Third party (Reliance) triage of colleagues reporting potential phishing emails via the 'Phish Alert' button
- Enhanced detection of phishing emails via Microsoft Exchange Online Protection (EOP)
- SAFE, Security Awareness For Everyone campaign advising colleagues of threats to be aware of and preventative action to take

Risk appetite B | **Risk movement:** 2023 **N/A** 2024

Strategy key

 Drive hospital performance
Build on quality
Invest in our workforce
Champion sustainability
Expand our proposition
Deliver strong financial performance

Risk management and internal control continued

Link to strategy

5. Organisational transformation

Executive owner(s): Chief operating officer/Group people director

Risk description

There is a risk that the multi-year strategic transformation programme to introduce greater digitalisation into patient pathways and our back-office processes fails to deliver the planned operational and financial benefits because we fail to execute the programme in a way that engages our patients, consultants and colleagues.

Risk impact

We may lose material operational and financial benefits resulting in a lower profit margin than predicted. In the worst-case scenario, we may harm existing processes incurring additional cost to recover core business processes.

Risk mitigation

We have a range of mitigations in place:

- Governance – there is a programme hierarchy of project, programme and steering board committees, which then report into the executive and board committees
- Executive accountability – There is dual executive committee representation on all programme boards, with best practice project management processes in place including disciplined stage gate reviews, lessons learnt reviews and comprehensive risk and issue management
- Investment – We are investing in both communication resource and expanding the Information Technology Operating Model to ensure there is adequate resource to support the technical aspects of the change programme
- Being kind – A set of established principles for those affected by organisational change, including offering comprehensive outplacement support and enhanced redundancy packages

Risk appetite | **Risk movement:** 2023 **N/A** 2024

Link to strategy

6. Digitalisation, automation and efficiency

Executive owner(s): Chief operating officer

Risk description

We are making substantial investment to digitalise our patient experience as well as back-office processes. However, despite our digitalisation programme there is a risk that:

- The digital environment evolves requiring us to readjust or increase our investment to further retain or improve our position in the market
- We do not deploy new technologies with the support and training of our colleagues, thus undermining the potential for efficiency gains
- Loss of IT and other team members because of the competitive market for scarce talent which would hinder our progress and/or increase costs of implementation
- There is a risk that a standardised approach to testing and adoption to change practices is not consistent across the deployed changes

Risk impact

We lose market share and fail to achieve operational excellence which will ultimately impact our profit margin.

Risk mitigation

The digital strategy focuses on an 18-24 month planning horizon to improve the predictability of investment and outcomes. This enables us to adjust the priorities (through transparent visibility and reporting), managing flexibility to investment and increase speed of implementation, consider informed changes in approach in response to changes in the macro climate and competitive landscape.

We utilise best-practice programme governance, supported by third-party experts, to deliver change programmes into the business, coupled with the adoption of lean, agile change methodology along with driving and adopting one-best way eg patient support centres. In addition, we have initiated quality assurance and assessment via a trusted independent partner.

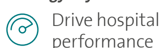
In addition, we developed and introduced in 2024, a strategic response and approach to the specific management of change and implementation. This involved upskilling colleagues and increasing the programme management structure to provide the required standards of: impact assessment, colleague engagement, training, adoption strategies and ensuring accurate and effective embedding of new ways of working, in order to maximise business opportunities and performance improvements.

We use technology to enable early benefits' realisation, for example utilising process automation to release immediate efficiencies and improvements to boost productivity and further fund future investments for digitisation. Clinical Safety and Standards will be involved in the input to design.

The digital strategy has built-in focus on appropriate levels of innovation, coupled with external horizon scanning, to ensure we are not behind the curve compared to competitors (current or future).

Risk appetite | **Risk movement:** 2023 2024

Strategy key



Drive hospital performance · Build on quality · Invest in our workforce · Champion sustainability

Expand our proposition · Deliver strong financial performance

Risk management and internal control continued

Link to strategy

7. NHS market dynamics

Executive owner(s): Chief commercial officer

Risk description
Historically, the levels of NHS referrals have been subject to sudden and unpredictable changes dependent upon national political priorities, or local NHS financial constraints. There remains a risk of future volatility in NHS commissioning models.

Risk impact
Changes to NHS commissioning models, if adverse, could lead to reduced access to patients, reduced tariffs adversely affecting revenues and/or margins.

Risk mitigation
We apply a disciplined approach to what procedures we will undertake for the NHS to optimise the balance of resource utilisation and margin contribution.

We maintain diversification of revenue streams with self-pay, PMI patients and new business streams.

We continue to invest in the capital base of our hospitals to provide services needed by the NHS (eg diagnostics).

We continue to invest in efficiency programmes to ensure that we can offer the best combination of high-quality patient care with acceptable margins at NHS tariff prices.

We have a strategic partnership with the NHS and stand ready to take on more NHS work, and we are actively engaged in the 2025/26 NHS Payment Scheme consultation (see page 19 for more detail).

We have strong relationships with the Integrated Care Systems (ICSs) and signed contracts with all ICSs.

Vita Health Group's acquisition in 2023 gave us a new opportunity to participate in the NHS tender market.

Risk appetite | **Risk movement:** 2023 **N/A** 2024

Link to strategy

8. Brand reputation

Executive owner(s): Chief commercial officer

Risk description
Our brand reputation is interconnected with other principal risks, especially clinical quality and cyber security.

Our future growth depends upon our ability to maintain, and continue to enhance, our reputation amongst patients, clinicians and other stakeholders.

As our brand presence grows, the risk increases that adverse events such as:
- Patient notifications and recalls
- Inquests
- Mishandling of patient data
- A breach of law or regulation

Risk impact
If we fail to protect or grow the brand it may harm our ability to:
- Maintain or grow income
- Attract and retain patients, colleagues and consultant partners
- Win new contracts
- Raise capital at competitive rates
- Meet our regulatory obligations

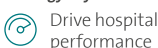
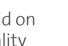
Risk mitigation
Our primary mitigations against damage to our brand reputation is through the good management of our principal risks, in particular:
- Clinical quality and governance
- Cyber security
- Workforce

In addition, we continue to:
- Invest in the awareness and health of the brand through national advertising, public relations and centrally coordinated social media
- Build our reputation and enhance understanding among analysts, public commentators, key stakeholders, public bodies and parliamentarians
- Comprehensive crisis communications planning

Creating social value supports our brand reputation. We contribute to social value through:
- Delivering good quality healthcare to patients who need it the most
- Reducing waiting times for NHS patients through increasing capacity
- Generating positive social impact for colleagues and communities
- Community efforts to support local businesses and charities
- Environmental efforts to reduce our impact
- The onward value created by our apprenticeship programmes

Risk appetite | **Risk movement:** 2023 2024

Strategy key

 Drive hospital performance
Build on quality
 Invest in our workforce
Champion sustainability
Expand our proposition
Deliver strong financial performance

Risk management and internal control continued

Link to strategy

9. Government policy

Executive owner(s): Chief executive officer

Risk description

There is a general risk that the government's economic, public spending and employment policies could have an impact on our sector.

The new government's objective to address workplace absence could provide a further opportunity for our occupational health, mental health and muscular skeletal businesses which help to get people back to work.

The impact of wage settlements in the public sector on our ability to attract and retain healthcare workers, is captured in our principal risk Inflation and Wage Inflation.

Risk impact

Changes in government policy for the NHS or broader fiscal and spending policy, could materially affect our profitability.

Risk mitigation

We have a proactive strategy to establish and build relationships with new government ministers and advisors in both the health department and other related departments (eg Department for Work and Pensions).

We seek to build relationships with our local MPs, and have written to newly elected MPs, who cover our physical locations across Great Britain to introduce them to Spire Healthcare and build their understanding of what we do.

We are actively engaging with the Independent Healthcare Providers Network (IHPN) to support IHPN's input into the Government's 10-year NHS strategic plan.

Risk appetite B | **Risk movement:** 2023 2024

Link to strategy

10. Supply chain disruption

Executive owner(s): Chief financial officer

Risk description

Disruption in the global and UK supply chains because of a variety of factors, could lead to shortages of critical components or products within:

- Medicines
- Consumables
- Prostheses
- Food
- Green energy supply
- Medical gases
- Oil and gas
- Electronic components for medical equipment

Risk impact

Our hospitals are reliant on a wide range of products to be able to conduct operations and procedures. Shortfalls in fulfilment of fresh food orders for example, could result in hospitals having to cancel inpatient operations and procedures.

We are heavily reliant on medical consumables, that in turn are heavily reliant on the availability of plastics, to carry out even the most basic procedures (eg, taking blood samples). Shortages in raw materials or disruption in the supply chain from the manufacturer could result in hospitals having to cancel operations and procedures.

Risk mitigation

We run a centralised supply chain with a national distribution centre (NDC) and its own vehicle and driver fleet. Medical consumables are held at the NDC with an average of six weeks' supply; medicines and prostheses are being held at hospital sites.

We must respond to product shortages and global recalls consistently, and we have seen some minor shortfalls in order fulfilment. In all cases, our centralised procurement function has been able, with the support of a permanent presence from the clinical team, to find alternative supplies to maintain hospitals' activities.

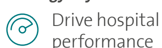
Fresh food is supplied through a national food distributor which has its own delivery fleet and directly employs its HGV drivers. Order fulfilment has remained in the high ninety percentile. We have contingency menu plans in case of fresh food shortages.

Any national shortages in critical medicines and medical gases are managed by NHS Supply Chain. We receive allocations based on our activity.

In light of recent geopolitical events, we are retesting our supply chain resilience against a range of scenarios, having last done that exercise in 2022-23.

Risk appetite L | **Risk movement:** 2023 2024

Strategy key


Drive hospital performance

Build on quality

Invest in our workforce

Champion sustainability

Expand our proposition

Deliver strong financial performance

Link to strategy

11. Major infrastructure failure

Executive owner(s): Chief operating officer

Risk description

There is a risk that there is a failure of national infrastructure, eg:

- The national electricity grid
- Import channels for our UK-based suppliers
- Fuel distribution
- Access to NHS
- Telecoms providers

The above risks are from a variety of causes including lack of resilience in national infrastructure, cyber-attack, strike action, terrorist activity, international geopolitical tensions, and action by state governments wishing to harm the UK.

As international geopolitical events since 2022 with the invasion of Ukraine have demonstrated, this risk can materialise unexpectedly and rapidly.

Risk impact

Our hospitals are reliant on the provision of electricity from the national grid. Main power outages result in the immediate cancellation of procedures under general anaesthetic.

Failure of logistic channels is covered in supply chain failure risk.

In very rare cases, patients need to be transferred to the NHS for further treatment and service level agreements (SLAs) are in place with NHS bodies to facilitate this. If local NHS trust hospitals are overburdened, or suffering strike action, there could be delays in transferring patients.

Core IT services are increasingly reliant on 'cloud' infrastructure. These services rely on connectivity from UK-based telecoms providers.

Risk mitigation

We maintain the following controls to mitigate against a failure of patient safety and clinical quality:

- All our hospitals have a backup power source provided from diesel powered generators that operates major circuits of a hospital, but some key equipment is not covered, eg, MRI scanners. Battery powered uninterrupted power is provided into specific equipment in theatres to ensure patients remain safe in the event of a generator failure. These backup power sources are designed to keep patients in the hospital safe but are not a complete substitute for mains power
- Our national distribution fleet refuel daily at the end of their shifts to ensure resilient operational capability
- NHS hospitals are obliged to provide emergency care to everyone but their pressures on ambulance services can, and do, lead to delays to emergency transfers on rare occasions. Mitigation plans are in place and rehearsed at hospitals
- The chief operating officer chairs a regular multi-disciplinary winter planning meeting to co-ordinate response activities to any infrastructure failures
- The use of the Microsoft Azure 'cloud' platform for core Spire IT services is split into multiple availability zones. Primary Service is hosted in UK South (London) and Secondary Service in UK West (Wales)
- Spire IT on-premise infrastructure is hosted in Telehouse Docklands with resilient power, communications, monitoring and cooling technologies

Risk appetite | **Risk movement:** 2023 2024

Link to strategy

12. Clinical quality

Executive owner(s): Group medical director/Group clinical director

Risk description

There is a risk that we fail to maintain the high levels of clinical quality required to meet our patients' needs and expectations, strategic objectives, and regulatory and legal requirements. There are several reasons this could happen including:

- Increasing complexity of patient conditions and innovations in treatments
- Changing regulatory environment
- Pressure to treat at the margin of our capability from long waiting lists with patients with increased co-morbidities
- A failure to identify and embed learning from incidents and excellence.
- The challenge of our scale and dispersed sites poses to ensuring oversight and assurance
- Human factors in the delivery of processes by our teams

Risk impact

Reputational and financial loss could occur if we fail to maintain high levels of clinical care from regulatory sanctions, patient claims, a fall in patient volumes and adverse publicity.

Risk mitigation

We maintain the following core processes to monitor clinical quality:

- Quality and safety reporting based on a quality assurance framework with a standard set of KPIs
- A schedule of robust and regular internal hospital inspections including the patient safety and quality reviews, with action plans for improvement that is centrally monitored
- A schedule of excellence in care meetings with the group clinical director and directors of clinical services to drive assurance and accountability for standards of care
- Consistent reporting of clinical outcome and effectiveness measures within the hospital and central meeting governance structures (including medical advisory committee meetings) to ensure that insights and learning are actioned and shared

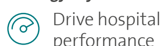
These processes are underpinned by:

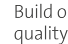
- A reporting culture of openness and shared learning from ward-to-board, with a FTSU guardian at each site
- Timely incident reporting via a database with central oversight and development of actions to ensure learning. We utilise the new Patient Safety Incidence Response Framework (PSIRF) introduced in 2024
- Continuous monitoring of patient experience via regular surveys with policies and procedures in place to ensure learning from patient experience feedback (including detractors and complaints)
- Standard operating procedure for patient notification exercises that includes learning and continuous improvement methodologies

Clinical quality processes and controls are governed by the executive's safety, quality and risk committee and the board's clinical governance and safety committee (CGSC).

Risk appetite H | **Risk movement:** 2023 2024

Strategy key

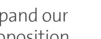

Drive hospital performance

Build on quality


Invest in our workforce

Champion sustainability

Expand our proposition


Deliver strong financial performance

Risk management and internal control continued

Link to strategy

13. Expanding our proposition

Executive owner(s): Chief commercial officer

Risk description

There is a risk that:

- We will not be able to launch and scale new propositions or services at sufficient pace to diversify and mitigate the risk of disintermediation
- New digital healthcare services deliver lower margins and therefore contribution compared to existing services
- In making new acquisitions we may fail to derive the expected value from our acquisitions that will improve our return on capital employed as well as diversify our service offering

Risk impact

We fail to grow the revenues, generate cash and provide a return on investment to investors of the group in line with our five-year strategic plan. We become disintermediated by new/specialist service providers.

Risk mitigation

We have:

- An innovation board bringing together the CEO and executive committee members of the medical, clinical, commercial and finance functions to identify healthcare trends and opportunities to develop new services
- A dedicated director of innovation and proposition development sourcing specific opportunities to support the group strategy, leading on development, supported with dedicated IT and project resource
- A dedicated director sourcing suitable target acquisitions supported by an expert external financial and tax adviser
- A property lead to handle the assessment and acquisition of new physical assets with the support of retained property advisers
- Acquisition due diligence processes using appropriate third-party expertise
- Board review and approval of acquisitions
- Post-acquisition project management and integration processes incorporating learnings from previous acquisitions

The acquisition of Vita Health Group has opened new commercial opportunities for us, but importantly also improved our mitigation of this risk.

Risk appetite | **Risk movement:** 2023 2024

Link to strategy

14. Workforce

Executive owner(s): Group people director, Group clinical director, Chief operating officer

Risk description

There is both a UK and global shortage of nursing and healthcare practitioners. We compete for talent in the UK and from international demand, and increasingly for non-clinical roles in a candidate driven marketplace.

Our ability to attract and retain clinical and non-clinical colleagues has been affected by the following:

- The cost-of-living increase impacting all our colleagues. Those on the lower salary levels are more sensitive to inflationary pressures and may move to marginally higher payers, both within or outside of healthcare
- Increasingly, permanent colleagues are looking for more flexibility in their work environment and work-life balance
- The candidate-driven market which impacts salary expectations for key roles, and attraction of agency rates
- Growth of demand for healthcare services since the pandemic
- Revitalisation of the NHS and that it is exempt from the NI increase

Risk impact

In the short term, the impact is on operating costs, either through increased pay awards or the use of bank and agency colleagues to fill resourcing gaps (for total colleague costs, see note 9 to the financial statements in this report).

Over the long-term, wage inflation and resource scarcity could result in a decline in our expected revenue growth. We could see hiring and retention of staff challenging in comparison to the NHS due to a higher tax bill.

Risk mitigation

We seek to retain colleagues through:

- A common purpose and a positive workplace culture (our employee engagement score provides evidence that this mitigation is effective)
- A standardised, fair and competitive pay and reward benefit structure. In 2023, we announced a competitive pay award that provided a 5.5% increase for most colleagues, and extra to bring all colleagues up to the living wage, and in September 2024 a further 2.75%. We will continue to review pay competitiveness in all the sectors in which we operate
- Our new reward framework for all permanent hospital (and NDC) colleagues was implemented in Q4 2024 (see page 30).
- Offering greater flexibility in colleagues' roles and contact types
- Ensuring we have the right and relevant employee development programmes, eg a nurse training programme and other relevant apprentice schemes
- Retaining professional development (excellence programme)
- Continuous investment in our equipment, facilities and services to retain high-quality clinicians and colleagues

Our risk mitigations have helped to produce a downward trend in colleague churn rates with consistent reduction during 2024 (see page 31).

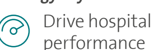
We seek to recruit colleagues through:

- A centralised recruitment process which we brought in-house in 2023
- Offering apprenticeship programmes to support the development of clinical and non-clinical teams across the business
- Building of local bank colleague pools and using digital solutions to improve access to available shifts

The group manages immediate colleague shortages using agency and bank workers.

Risk appetite | **Risk movement:** 2023 2024

Strategy key

 Drive hospital performance
Build on quality
Invest in our workforce
Champion sustainability
Expand our proposition
Deliver strong financial performance

Risk management and internal control continued

Link to strategy

15. Data protection

Executive owner(s): Chief operating officer, General counsel

Risk description

As we continue to grow and acquire new businesses and services it is imperative we manage external as well as internal risks equally which could compromise physical and digital data assets.

The risk being personal data may not be managed in accordance with the principles set out in the Data Protection Act 2018 and the UK General Data Protection Regulations (UK GDPR) and the expectations of data subjects as a result of:

- Human error
- Insider threats
- Third party and supply chain involvement in the processing of personal data

Risk impact

If this risk were to materialise, then there could be an impact on both data subjects and the business resulting in (among other impacts) impact to care, identity fraud and discrimination as well as reputational damage, enforcement action and financial loss respectively.

Risk mitigation

The data strategy, governance and security committee is chaired by the senior information risk owner and monitors the risks and mitigations for data privacy and cyber security. The committee reports into the executive committee with a separate reporting line to the audit and risk committee (see page 54 for more detail).

The following are the most material controls to mitigate the risk from materialising:

- In-house data protection officer reports into the group general counsel, providing expertise and independence as a second line assurance mechanism
- Dedicated governance platform for the management and oversight of data subject's rights requests
- Data Protection Impact Assessments (DPIA) to assess data protection risks in the processing of data, and third-party vendor
- Comprehensive data protection policies and procedures
- Mandatory staff training covering data protection and cyber security
- Privacy lead in each hospital and clinic that provide the link between local site and the central data protection team
- Internal incident reporting system for reporting and managing data incidents used to identify trends and learnings
- Quarterly data privacy key performance indicator reporting into the data strategy, governance and security working group

Risk appetite | **Risk movement:** 2023 **N/A** 2024

Link to strategy

16. Anti-microbial resistance (AMR)

Executive owner(s): Group medical director

Risk description

Antimicrobial resistance (AMR) is a global health and development threat.

The World Health Organization has declared that AMR is one of the top 10 global public health threats facing humanity.

Misuse and overuse of antimicrobials are the main drivers in the development of drug-resistant pathogens.

The cost of AMR to the economy is significant. In addition to death and disability, prolonged illness results in longer hospital stays, the need for more expensive medicines and financial challenges for those impacted.

Without effective antimicrobials, the success of modern medicine in treating infections, including during major surgery and cancer chemotherapy, would be at increased risk.

Source: World Health Organization

Risk impact

If AMR becomes prevalent in the UK, the ability for consultants to carry out routine elective surgery could become too dangerous. This would mean the current business model of Spire Healthcare will become unviable.

New antibiotic costs may increase substantially.

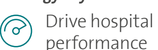
Risk mitigation

Our mitigations are:

- Executive level awareness of the government's five-year AMR strategy
- Participation in, and collaboration with, government's monitoring of AMR outbreaks
- Requirement on clinicians to follow guidance in line with government guidelines on the prescribing of antibiotics
- Access to up-to-date antimicrobial prescribing via online systems and access to microbiologists at all sites
- Appropriate investigations of post-surgery infections including review of antibiotics

Risk appetite | **Risk movement:** 2023 2024

Strategy key



Drive hospital performance

Build on quality

Invest in our workforce

Champion sustainability

Expand our proposition

Deliver strong financial performance

Task force on climate-related financial disclosures (TCFD) report

The board makes its statement of compliance with TCFD disclosures as required by Listing Rule (UKLR 9.8.6(8)) below. By this we mean the four TCFD recommendations and eleven recommended disclosures set out in the table below and in Figure 4 of Section C of the report entitled 'Recommendations of the Task Force on Climate-related Financial Disclosures' published in June 2017 by the TCFD and updated in the 2021 TCFD

Implementing Guidance (annex). The approach to building scenarios described on pages 78 to 80 for our scenario analysis follows the updated guidelines produced by the TCFD within their Guidance on Scenario Analysis for Non-Financial Companies.

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

Recommended disclosures	Status
a) Describe the board's oversight of climate-related risks and opportunities.	● – see page 78
b) Describe management's role in assessing and managing climate-related risks and opportunities.	● – see page 78

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Recommended disclosures	Status
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	● – see page 78
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	● – see page 80
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	● – see page 81

Risk management

Disclose how the organisation identifies, assesses and manages climate-related risks.

Recommended disclosures	Status
a) Describe the organisation's processes for identifying and assessing climate-related risks.	● – see page 81
b) Describe the organisation's processes for managing climate-related risks.	● –see page 81
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	● – see page 82

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended disclosures	Status
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	● – see page 82
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	● – see page 82
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	● – see page 82

● Compliant
◐ Partial compliance
○ Non-compliant

Governance

a) The board's oversight of climate-related risks and opportunities

Our board has ultimate oversight of climate-related risks and opportunities facing us. It exercises that oversight through:

- An annual review of our corporate strategy, that includes championing sustainability as one of its five pillars as described on pages 21 to 37
- Review of major strategic climate and environmental-related initiatives as put to the board by the executive committee in line with the corporate strategy eg, the environmental, social and governance strategy explained on pages 38 to 54 and the net zero strategy as explained on pages 39 to 41
- Receiving reports from board sub-committees following their meetings, eg, the audit and risk committee (ARC) that reviews the principal risks on behalf of the board and oversees our risk management processes, that includes climate-related risks, as explained on pages 65 to 76
- Annual review of emerging risks with the executive management team through the ARC

As the board also retains the authority to approve all capital projects over £10 million under its delegated levels of authority, in doing so, it reviews all major capital expenditure projects that affect sustainability.

b) Management's role in assessing and managing climate-related risks and opportunities

The executive committee retains overall responsibility for assessing climate-related risks and opportunities.

The committee receives a quarterly report from the director of audit, risk and compliance on the principal risks and the overall risk profile of the group prior to reporting to the ARC. It is through that assessment, in conjunction with other management information, that the executive committee understands and acts on its assessment of climate-related risks. The committee also reviews global trends for emerging risks on an annual basis and submits a report to the ARC.

In 2023, we undertook a detailed scenario analysis exercise on our hospitals business based on future global warming scenarios. We will repeat this scenario analysis in 2026. The outcomes provided us with a detailed view of our potential physical and transitional risks from climate change. The outcomes are described in more detail on page 79 to 80.

The executive committee communicates with the board through two main reports from the chief executive officer and chief financial officer, and additional reports from the chief operating officer. The executive committee also presents reports to the board through specific topics that are on the agenda for the board.

In 2023, we established a sustainability committee chaired by the chief financial officer. The sustainability committee's remit is to oversee, review and recommend changes to Spire Healthcare's sustainability-related goals, objectives, commitments and key performance indicators and monitor the Group's progress against the same, including in relation to climate risks and opportunities.

The committee is composed of members of the executive committee and senior management and met four times in 2024.

Strategy

a) Climate-related risks and opportunities the organisation has identified over the short, medium and long term

Time frames

The board recognises that climate-related risks and opportunities would emerge over very long time frames, and well outside the normal five-year strategic planning horizon. Its review of going concern and viability are conducted over 12 months, and three years respectively, from the date of the balance sheet. The board conducts these reviews before publication of the interim and annual financial statements, and while they model the impact of a near-term climate event in line with the principal risks, do not capture longer-term impacts from climate change.

In 2023, we engaged WTW (formerly Willis Towers Watson) to consider:

a) transitional risks we may face in the scenario that by 2050, humanity has transitioned to a low carbon economy such that the increase in global average temperatures is restricted to 1.5˚C above pre-industrial times and
b) the physical impacts of climate change up to 2100 because the effects of climate change will be more material over the longer time horizon.

WTW modelled the impacts to physical risks from climate change over the following time horizons:

- Short term – to 2030
- Medium term 2030-2050
- Long term 2050-2100

To quantify the impacts of the risks modelled in the physical and transitional risk scenarios, WTW used our risk impact assessment criteria contained within our enterprise risk management policy to maintain consistency with other risk categories as described in our principal risk section on pages 65 to 76. The outcomes of the scenario analysis are described below. The scenario analysis covered all physical assets of our operations in our ownership as at 1 January 2023, and therefore did not include the physical or transition risks of Vita Health Group that we acquired in October 2023. We will rerun the scenario analysis in 2026 on our asset base at the time.

Relative importance of physical risks and transitional risks to the business

Physical risks

From a climate change perspective, we consider our operations as one business unit because all of our operations are within the UK, and similar in nature. The scenario analysis to assess the physical risks covered the following chronic and acute climate risks:

Chronic climate risks assessed	Acute climate risks assessed
– Heat-stress	– Windstorm
– Chronic drought-stress	– Tornado
– Sea level rise	– River flood
– Chronic precipitation-stress	– Flash flood
– Fire weather	– Coastal flood
	– Hailstorm
	– Lightning
	– Wildfire

We provide commentary on the four most material physical risks associated with climate change below. The modelled outcomes of all the other risks above, but not described below, were immaterial. WTW's methodology input:

- the specific geographical locations of all our sites
- data concerning the building (eg number of storeys, building materials)
- insurance valuation
- revenue derived from each specific physical location, where that information was available
- historical business interruptions

The physical risk assessment relied on the use of WTW's climate diagnostic model, which uses underlying climate data provided by Munich Re's climate change hazard layers. The layers utilise data from the European Centre for Medium-Range Weather Forecasts (ECMWF), UKCP18, JBA Global Flood Model and the Met Office in the UK. The flood model provides a view of the risk based on an underlying digital terrain model, which provides a robust view of buildings and physical assets being exposed.

We modelled climate scenarios and corresponding average global warming based on the Inter-Governmental Panel for Climate Change's Representative Concentration Pathways (RCP) scenarios:

- RCP2.6 (1.5°C)
- RCP4.5 (2-3°C)
- RCP8.5 (4°C+)

We report the outcomes of the scenario analysis using by the forecast impact for:

- Low emissions (RCP2.6 + 1.5°C) over the short term (to 2030) because there are no material differences in that time frame between the scenarios, and
- High emissions (RCP8.5 +4°C) over the medium term (to 2050) to illustrate the worst-case outcomes

We acknowledge that these risk modelled will have an increasing impact over the long term (2050-2100) in the high emissions scenario (RCP8.5), but have not reported them here given the increased uncertainty as to what will be the most likely scenario and risk impacts for these very long-term time frames.

Current climate/low emissions scenario RCP2.6 (1.5°C) by 2030

Risk title	Potential impact(s)
Heat stress **Impact: negligible**	Currently all of our facilities are exposed to very low heat stress risk seeing less than five heatwave days each year with temperature more than 30°C. Some of our hospitals are vulnerable to overheating and air conditioning (AC) failure , especially in the south. As we have a rolling programme to upgrade end-of-life AC systems within our capital expenditure plans, there is no material impact on our business model.
Drought **Impact: negligible**	Our facilities depend on a stable supply of water from the mains water network to maintain safe patient care. Overall, there is very low or low exposure across our facilities, with less than three months of drought duration per year, even in the south.
Flooding (all types) **Impact: negligible**	Flooding of our facility would necessitate partial or complete closure of the site until any cleanup and repairs are completed to enable safe patient care to resume. Most of our assets (96%) between 2023 and 2030, are at very low risk for river flooding. Our property portfolio has low exposure to heavy rainfall and potential flash floods in this time period. The average annual modelled losses from river flood are negligible. In severe years it could be more significant but even then, still negligible. Most of the financial impact is associated with property damage rather than loss of revenue.
Windstorm **Impact: negligible**	All our facilities in the UK are in stormy regions, with 1% annual chance of having severe wind gusts of over 121km/h between 2023 and 2030, with seven locations at risk of higher winds of 161-200km/h due to extratropical cyclone. Property damage from windstorm could result in partial or full closure of a site until repairs are completed to allow for safe operation of the site. Most of the financial impact is associated with property damage rather than loss of revenue.

Task force on climate-related financial disclosures (TCFD) report continued

High emissions scenario RCP8.5 (+4˚C) by 2050

Risk title	Potential impact(s)
Heat stress **Impact: negligible to minor**	By 2050, heat stress develops to low risk for 55 facilities, with 5-20 heatwave days in a year, and 39 assets are likely to have a very low risk exposure. This trend could mean an increase in the cost of cooling of hospitals and clinics, and more disruptions to operations. The number of material incidents could increase up to five times compared with the 2022 heatwave including AC failure, overheating including operating theatres, drug storage issues, patient and colleague illness and more potential closures. This could impact our long-term business model (beyond 2030) with a need to invest in additional methods for cooling patient and colleague areas within our facilities, especially in the south, not currently covered by existing AC systems.
Drought **Impact: minor to moderate**	There will likely be an increase in our exposure under this scenario by 2050. Forty-six facilities could become exposed to moderate stress (three to four months of drought per year), whilst 34 facilities could be exposed to low risk and 14 facilities exposed to very low risk of drought stress. The potential adverse consequences to our business include reduced water availability and other utilities and operations relying on water. This may require additional investment between 2030-2050 in back-up water supplies for some specific sites in the south if the national water network does not become more resilient to drought.
Flooding (all types) **Impact: negligible**	The number of exposed locations will not change substantially by 2050 but changes in the frequency of flood events is likely. Three facilities could be very highly exposed and one facility moderately exposed. By 2050 what is considered today to be a severe 200-year event could happen more frequently (ie one in 100 years). In a severe one in 100 future event, losses could be five times that of our current risk, but the risk still remains within the negligible impact range. To maintain current operations, additional flood protections may be required for those specific locations most at risk between 2030-2050 under this emissions scenario.
Windstorm **Impact: negligible**	The frequency and/or severity of windstorms (extratropical cyclones) are likely to be similar to current climate conditions for our locations of assets under this scenario and time frame. Therefore, the average annual modelled damages for both property damage and business interruption stay in the same impact range. The modelled outcome from windstorm suggests there is no impact on our current business model.

Transitional risks

In the transition to a low carbon economy by 2050, the assessment of transition risks assumes nation states adopt highly ambitious goals to dramatically reduce the impact of climate change. In line with our enterprise risk management methodology, we identified and quantified 12 transition risks in the categories recommended by the TCFD (being policies and legal risks, technology risks, market risks and opportunities, and reputational risks and opportunities). Only one risk concerning price fluctuations for the purchase of green energy is an immediate risk. We have taken the decision to purchase non-designated renewable energy 'brown' energy and delay the reduction in our carbon emissions until the 'green' energy market stabilises. We believe the other transitional risks and opportunities identified are currently immaterial but we will continue to monitor those remaining transitional risks.

Impact on climate-related risk and opportunities on the financial statements

We have not identified any climate-related risks or opportunities that would have a material impact on the carrying values of the assets or liabilities of the group, and therefore we have not adjusted financial balances for climate-related risks or opportunities in our balance sheet as of 31 December 2024.

Opportunities

We have an opportunity to turn some of the risks to opportunities, especially by communicating our environmental credentials more prominently, including our carbon reduction strategy, as a differentiator in the independent healthcare sector.

There are predictions that climate change disruptions will result in increased respiratory and cardiovascular disease, injuries and illness related to extreme weather events, changes in the prevalence and geographical distribution of food and water-borne illnesses and other infectious diseases, and threats to mental health. To support the UK to prepare for the health impacts of climate change, we continue to adapt and deliver quality healthcare services that meet changing needs in the market.

b) Impact of climate-related risks and opportunities on our businesses, strategy and financial planning

Financial impact of climate change risks and opportunities

We have focused on the near-term financial impacts for the purposes of the going concern and viability modelling. The outcomes of that modelling are reported in the statement on viability on page 83. We have previously announced that the net zero strategy represents a cash investment of £16 million up to 2030. In 2023, we invested £10.2 million of additional capital spend for 2024 to fund installations of PV solar panels (with an install capacity of 4.8m kWh/year) and building management systems across our estate. The projects are materially complete.

Following the outcome of our scenario analysis as discussed above, in our five-year strategic plan, other than the allocation of capital to the net zero strategy, and except for energy costs or potential losses from major disruption from an adverse weather event as modelled in our viability testing, we do not consider that other climate-related risks and opportunities will have a material impact on our revenues, operating costs, acquisitions, divestments and access to capital over that time horizon. In relation to energy costs, we have energy price hedging in place until December 2025 and partially for 2026. Thereafter, we are exposed to future energy prices. In terms of purchasing Renewable Energy Guarantees of Origin, we monitor market conditions and if the cost premium reduces we will consider adoption, and in any event we will adopt by Jan 2030.

We have highlighted in the risk analysis above where over the medium term (2030-2050) and in the high emissions scenario, our business model may need to respond to changing climatic conditions.

Other impacts on our business, strategy and financial planning

Our net zero strategy does not rely on unproven technology. Details of the net zero strategy are in the sustainability section on pages 39 to 41.

There has been no significant change in 2024 to our approach of identifying climate-related risks and opportunities, or our mitigation strategies against the risks we have identified. The process of risk management is described on pages 65 to 68. We will continue to review our mitigations through:

- Our normal risk management process
- Taking advantage of opportunities as we identify them, and they arise

c) Resilience of our hospitals business strategy, including a 2°C or lower scenario

As described above, against the specific modelled risks, the outcomes indicate that our physical asset base, being largely low-rise buildings and away from flood plains around England, Scotland and Wales, is relatively well protected from projected adverse climate scenarios. We consider heat stress to be the most significant near-term risk with drought becoming an increased risk in the RCP8.5 (4°C+) scenario.

We assessed our exposure to transitional risks which, except for energy prices, we assess as negligible now. However, changes in the regulatory or legal environment, may materially change that assessment at short notice. Our business strategy to mitigate energy price fluctuations is to a) continue to invest in energy reduction measures, b) buy forward and fix prices for at least the full financial year ahead of the current financial year. Our overall business strategy, we believe, is resilient to the identified transitional risks because of their limited impact as we assess them now.

We therefore believe that our hospitals business model, of providing high-quality physical assets for third party consultants to use for the treatment of patients in the UK, remains resilient to our identified climate change risks.

Risk management

a) Our processes for identifying and assessing climate-related risks

On pages 65 to 68 we describe our risk management process and its governance. We use the same process to identify and assess climate-related risks augmented by specific deeper dive risk assessments where appropriate. The relative importance of climate-related risks is established through the same method of estimating the range of potential impacts and the likelihood. As risk management is looking to the future, there is always a degree of uncertainty over probability and impact measures, especially with climate change, given the climate is dynamic and the changes are complex to model. Page 66 shows the relative importance we judge climate change risk to have compared to other principal risks. We have set out on page 79 and 80 what we believe are the climate-related risks that are specific to our circumstances.

b) Our processes for managing climate-related risks

On pages 32-34 and 39-44, we describe the governance of climate-related risks and opportunities including the role the sustainability committee will have going forward. Our governance structure results in four levels of management of our climate-related risks and opportunities depending on the materiality of the activity as shown in the figure below.

Board
Strategic direction, including approval of large-scale investment programmes reserved as a matter for the board

Executive committee (with specific delegated responsibilities to the sustainability committee)
Determination of strategic direction and large-scale investment, approval of tactical investments

Functional leadership
Group-wide tactical management

Site level leadership
Local strategies and tactical implementation

The structure shown above reflects the type of actions we have taken to manage our climate-related risks, for example:

- Major strategic initiatives sponsored by the board, eg, the net zero strategy
- The pragmatic management of risk assessed and prioritised activities such as the replacement of ageing heating, ventilation, air conditioning (HVAC) systems, the installation of energy saving technologies from new building management software, solar panels and energy efficient lighting led by functional leadership reporting into the executive committee
- Local carbon champions working with their local leadership teams have developed site specific action plans that have been fundamental in making site level changes that are saving energy, reducing CO_2 emissions and improving waste disposal on a daily basis

c) How processes for identifying, assessing, and managing climate-related risks are integrated into our overall risk management

As the responsibility for identifying and managing risks, including climate-related risks, as set out on pages 65 to 68 is with the board, the executive committee (via the sustainability committee) and then through functional and local leadership, management of climate-related risks is entirely integrated into our normal management processes. We have not built a separate management process to manage climate change related risks and opportunities.

While various committees look at specific aspects of climate-related risks as described on page 81, reporting on the sustainability pillar of the corporate strategy is embedded in KPI reporting with all other strategic KPIs. From there, the identification, assessment and management of more detailed climate-related risk management activity is embedded within our established management systems, whether that be the recording of specific risk assessments within our risk management system, or the review and decision-making by established committees and local management teams.

Metrics and targets

a) Our metrics used to assess climate-related risks and opportunities

In our risk management process, we assess all risks against a range of impacts including financial, reputational and patient safety, amongst others.

In relation to climate change, the main strategic risk and opportunity for which we have developed is the decarbonisation of our operations in line with our net zero strategy. We use the following metrics to track progress towards achieving our net zero targets:

- Gas and electricity consumption against targets plus associated scope 1 and 2 carbon emissions twice yearly
- Carbon intensity against revenue annually
- Electricity generated by solar PV annually
- Waste to landfill/energy-from-waste/recycling
- Water consumption
- Financial losses due to climate-related incidents

We do not anticipate carbon credit pricing to impact our net zero strategy until 2030 when we plan to offset the residual unmitigated emissions.

We have separate metrics to measure our performance of waste management. Our metrics are described on page 42.

Against the risks that have been identified through our physical and transitional scenario analysis, we have developed further metrics in 2024 to monitor the likelihood and impact of the most material emerging risks (ie heat stress, drought, flooding and windstorm damage) and energy pricing.

We do not consider the use of internal carbon pricing is of any practical use as all our operations are in the UK, of a uniform nature and individual sites are charged for their actual energy consumption as the energy usage is metered.

b) Our Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions, and their related risks

We disclose our GHG emissions, methodology and footprint boundary on page 39 to 41 in accordance with the methodology set out in the UK government's Environmental Reporting Guidelines 2019. For 2024, we set out our full GHG emissions data with 2023 comparisons.

There has been no change to the methodology applied to calculate our Scope 1 and 2 emissions in 2024. As we use an independent third party to calculate our emissions and none of our emissions data is based on estimated activity data, we believe the risk of material error in our data is low. We assess Scope 3 emissions to be material to our operations. On page 39, we set out our estimated Scope 3 emissions for 2023 and 2024, and describe the methodology by which each category has been calculated on page 40. As categories 1 and 2 (being the most material of our scope 3 emissions) are calculated on spend data, they are 100% estimated and therefore carry more risk of error. Last year we disclosed our 2022 estimated Scope 3 GHG emissions, the first we had calculated using a desktop methodology, with a total of 462,710tCO_2e. That indicated to us that our Scope 3 emissions will be material. As explained on page 39, this has led us to undertake a more comprehensive calculation of our Scope 3 emissions and include them in our total GHG emissions data going forward.

We express our energy intensity ratio as a tCO_2e per £m revenue. This ratio provides a consistent year-on-year basis to measure the energy required to deliver our operational activities. We now will track our change in intensity ratio against our full GHG footprint as disclosed on page 40 for 2023 and 2024.

c) Our targets to manage climate-related risks and opportunities and performance against targets

The net zero target is measured as net zero CO_2e (carbon dioxide equivalent) emissions, ie that CO_2e emissions, taking 2019 as our baseline, will be fully mitigated or offset. Our performance for 2024 is reported on pages 39 to 40.

As we set out on page 39, considering our 2024 performance, the cost of REGOs and degasification of heating systems, and the evolving emissions reporting sphere, we have created a new interim target for 2025 to allow us time to assess the risks and mitigations to the profile of how we achieve net zero by 2030. If we change the profile of our net zero plan to 2030, we will also need to review our transitional risks as a different profile may impact transition risks.

The Remuneration Committee has debated the inclusion of 'Environmental' related metrics in incentive plans and whilst this is not included explicitly, these are inherent in our strategy and also help drive the quality metrics which are part of the incentive plans.

Compliance statements

Viability

Assessment of prospects

In accordance with the 2018 UK Corporate Governance Code, the directors assessed the viability of the group and have maintained a period of three years for their assessment. Although longer periods are used when making significant strategic decisions, three years has been used as it is considered the longest period of time over which suitable certainty for key assumptions in the current climate can be made. The assessment conducted considered the group's current financial position and forecasted revenue, EBITDA, cash flows, risk management controls and loan covenants over the three-year period (which is consistent with the approach for prior years, with the exception of capital structure due to refinancing).

Assessment of viability

Further detail on both macroeconomic-related risk is provided in the risk management and internal control section on pages 65 to 76.

Other specific scenarios covered by our testing were as follows:

- The group is subject to temporary suspension of trade, with a temporary adverse impact on revenue, for example, as a result of a successful cyber-attack on key business systems
- The downside modelling of a number of risks which result in a decline in earnings, including the loss of a contractual relationship with a key insurer
- Significant change in government policy resulting in consultants going on payroll
- Short-term disruption to trade at a sub-set of hospitals owing to an extreme weather event

Management's approach also included testing for a specific combination of these risks. This testing entailed modelling for the potential impact if, although considered highly remote, the three risks which are individually plausible were to take place in combination.

This review included the following key assumptions:

- The group's senior finance facility and revolving credit facility which mature in February 2027 are refinanced to cover the three-year period. We have commenced the process to refinance our facilities and are confident that the facilities will be re-financed and will be in place for the three-year period. In the unlikely event that financing is not obtained, the Group has an extensive freehold property portfolio which could be accessed through sale and leaseback to provide the funding required, and
- The government will not make significant change to its existing policy towards utilising private provision of healthcare services to supplement the NHS

Based on the results of this analysis, the directors confirm that they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the next three years.

Going concern

The group has undertaken extensive activity to identify plausible risks which may arise and mitigating actions. Further information on these is provided in the section on viability above. Based on the current assessment of the likelihood of these risks arising by 30 June 2026, together with their assessment of the planned mitigating actions being successful, the directors have concluded that it is appropriate to prepare the accounts on a going concern basis. See note 2 – Basis of Preparation in the Financial Statements for more detail.

Non-financial and sustainability information statement

The Companies Act 2006 requires the company to disclose certain non-financial and sustainability reporting information within the annual report and accounts. Accordingly, the disclosures required in the company's non-financial information and sustainability statement can be found on the following pages in the strategic report (or are incorporated into the strategic report by reference for these purposes from the pages noted):

- Information on our employees (page 29-31)
- Information on diversity (pages 30 and 46-48)
- Information on our anti-bribery and corruption policy (page 34)
- Information on our approach to raising concerns (whistleblowing) and Freedom to Speak Up (pages 16, 27, 29, 52, 53, 68, 74, 96, 103, 116)
- Information on our approach to human rights (page 53)
- Information on social matters (pages 45 to 50)
- Information on our environment policy (pages 39 to 44)
- Information on our climate-related financial disclosures in line with The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (pages 77 to 82)

Section 172 (1) statement

The directors are required to act in a way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, taking into account the factors as listed in section 172 of the Companies Act 2006.

Details of how the directors have had regard to their section 172 duty can be found throughout the strategic and governance reports. We set out on pages 55 to 61, details of who we consider to be our main stakeholders, how we have engaged with them during the year and the outcomes of the process. Further details on how the directors' duties are discharged and the oversight of these duties are included in the governance section on pages 90 to 100. The principal decisions of the board during the year are shown on page 91.

Chief financial officer's review

Good financial performance in a dynamic environment

"We have delivered good financial results. The business has responded well to the dynamic environment and met guidance across all core measures."

Harbant Samra
Chief Financial Officer

Dear shareholder,

I am pleased to report that Spire Healthcare delivered good financial and operational performance during 2024 and achieved guidance on all core measures. Group revenue was up 11.2% to £1,511.2 million from £1,359.0 million (up 6.2% on a comparable basis), driven by the demand for private healthcare and our expansion into primary care services.

Hospitals delivered increased revenue of 4.7% year on year to £1,390.2 million (5.5% on a comparable basis). This includes 1.9% growth in admissions and outpatient procedures, and strong growth in admissions average revenue per case which was up 4.2% through our focus on higher acuity procedures.

NHS activity was ahead of our expectations, with revenue up 7.7%, due to a focus on higher margin orthopaedic services (up 8.8% on a comparable basis). Private grew 3.7% (4.3% on a comparable basis), with strong volume and pricing in PMI and moderating volumes in self-pay, where we continue to see patients switching to PMI. Primary care services revenue was £121.0 million in 2024. Vita Health Group performed ahead of expectations, delivering £107.4 million in revenue.

We responded well to the dynamic external environment, including an evolving payor mix and increased energy costs, through acceleration of our cost savings programme, optimising acuity mix and self-pay pricing changes.

As a people business, investment in our workforce is critical to the health of Spire Healthcare and delivering good patient outcomes. People costs, including clinical and non-clinical staff, represent more than 40% of our Group cost base. We supported eligible Hospital colleagues with an above inflation salary increase during the year, implemented a new Hospital Rewards Framework and once again broadened our apprenticeship programme. We believe these efforts have helped us to achieve record levels of permanent employment, high retention, and a reduction in clinical turnover rates to an all-time low of 11.5%.

A significant focus area is our cost savings programme, which delivered ahead of plan, saving over £20.0 million. Key cost-saving initiatives included the refinement of best practice staffing establishment models for hospitals, centralisation of certain administration functions and procurement savings.

We intend to target £80 million in cumulative cost savings by the end of 2026, of which at least £30 million new savings will be targeted in 2025.

Group adjusted EBITDA was £260.0 million, up 11.1% year on year (9.0% on a comparable basis). Hospitals adjusted EBITDA was £249.7 million and showed good EBITDA margin progress, up 40 bps to 18.0%, delivered through price and acuity benefits, and transformation efficiencies.

Primary care services generated EBITDA of £10.3 million, with a very strong expansion in EBITDA margin to 8.5%. EBITDA margins are intrinsically lower than the hospital business given they include a number of younger maturity services such as Spire Clinics and London Doctors Clinic. Over time, we expect these margins to increase significantly through a combination of building scale and maturity.

We have delivered an improvement in returns, with ROCE growing from 7.5% to 8.2%. Total capital expenditure was £112.1 million; we deployed a greater proportion of our budget towards driving growth and efficiency. Investment of £40.0 million was deployed towards growth, including the addition of a minor operations unit at Spire Claremont, five new MRIs, significant investment in solar energy, as well as digitalisation. The remainder was dedicated to maintenance of our estate and IT infrastructure enhancement. We also deployed growth investment towards a primary care expansion strategy, including opening Spire Clinics in Abergele, Harrogate and Norwich.

Net bank debt at the end of the year was £325.9 million, with a cash balance of £41.2 million. Net bank debt / adjusted EBITDA covenant ratio declined to 2.0x.

Looking ahead to 2025, we are confident in delivering revenue growth, driven by both our hospitals and the increasing demand for primary care. We expect earnings to be ahead of last year, despite the impact of national insurance, national minimum wage and energy costs.

Harbant Samra
Chief Financial Officer

Selected financial information

(£m)	Year ended 31 December 2024 Total before Adjusting items	Adjusting items (note 9)	Total	Year ended 31 December 2023 Total before Adjusting items	Adjusting items (note 9)	Total
Revenue	**1,511.2**	**–**	**1,511.2**	1,359.0	–	1,359.0
Cost of sales	**(827.6)**	**–**	**(827.6)**	(734.8)	–	(734.8)
Gross profit	**683.6**	**–**	**683.6**	624.2	–	624.2
Other operating costs	**(542.3)**	**(16.4)**	**(558.7)**	(497.4)	(6.7)	(504.1)
Other income	**8.1**	**4.5**	**12.6**	3.6	2.5	6.1
Operating profit (EBIT)	**149.4**	**(11.9)**	**137.5**	130.4	(4.2)	126.2
Finance income	**0.7**	**–**	**0.7**	1.4	–	1.4
Net finance costs	**(99.9)**	**–**	**(99.9)**	(93.0)	–	(93.0)
Profit before taxation	**50.2**	**(11.9)**	**38.3**	38.8	(4.2)	34.6
Taxation	**(14.1)**	**1.8**	**(12.3)**	(6.4)	(0.3)	(6.7)
Profit for the period	**36.1**	**(10.1)**	**26.0**	32.4	(4.5)	27.9
Profit/(loss) for the year attributable to owners of the Parent	**35.5**	**(10.1)**	**25.4**	31.8	(4.5)	27.3
Profit for the year attributable to non-controlling interest	**0.6**	**–**	**0.6**	0.6	–	0.6
Adjusted EBITDA[1]			**260.0**			234.0
Basic earnings per share, pence			**6.3**			6.8
Adjusted FCF[2]			**39.0**			48.0
Net cash from operating activities			**235.7**			215.5
Net bank debt[3]			**325.9**			315.7

1. Adjusted EBITDA is calculated as Operating Profit, adjusted to add back depreciation, amortisation and adjusting items, referred to hereafter as 'Adjusted EBITDA'. For EBITDA for covenant purposes, refer to note 23.
2. Adjusted FCF (Free Cash Flow) is calculated as Adjusted EBITDA, less rent, capital expenditure cash flows and changes in working capital after adjusting for one-off items which are not related to the normal trading activity of the business. Rent cash flows are defined as interest on, and payment of, lease liabilities. Capital expenditure cash flows are defined as the purchase of property, plant and equipment.
3. Net bank debt is defined as bank borrowings less cash and cash equivalents.

Revenue

Group revenue was up 11.2% to £1,511.2 million from 1,359.0 million, up 6.2% on a comparable basis, driven by the demand for private healthcare and our expansion into primary care services.

Hospitals delivered increased revenue of 4.7% year on year to £1,390.2 million, 5.5% on a comparable basis. This includes 1.3% growth in admissions and outpatient procedures, 1.9% on a comparable basis, and strong growth in admissions average revenue per case which was up 4.4% as a result of our focus on higher acuity procedures, 4.2% on a comparable basis.

NHS activity was ahead of our expectations, with revenue up 7.7%, due to a focus on higher margin orthopaedic services, up 8.8% on a comparable basis. Private grew 3.7%, 4.3% on a comparable basis, with strong volume and pricing in PMI and moderating volumes in self-pay where we continue to see patients switching to PMI. Primary care includes Vita Health Group (VHG), which was acquired at the end of 2023 and represents the majority of the business line. VHG is the largest independent NHS talking therapies provider and delivers musculoskeletal (physio) and dermatology services. Primary care services revenue was £121.0 million in 2024. Vita Health Group performed ahead of expectations, delivering £107.4 million in revenue.

Primary care also includes our private GP services delivered through the London Doctors Clinic (LDC), Spire Occupational Health services and our recently opened Spire Clinics which are focused on outpatient treatment, diagnostics and act as referral centres to our hospitals. As our broader healthcare offering continues to be developed, income from this area will become increasingly material to the group's performance.

Revenue by location and payor

(£m)	2024 Hospitals Business	2024 Primary Care	2024 Total	2023 Hospitals Business	2023 Primary Care	2023 Total	Variance % (2024-2023) Hospitals Business	Variance % Primary Care	Variance % Total
Total revenue	**1,390.2**	**121.0**	**1,511.2**	1,327.6	31.4	1,359.0	4.7%	NM*	11.2%
Of which:									
Inpatient	**548.0**	**–**	**548.0**	535.5	–	535.5	2.3%	NM*	2.3%
Daycase	**426.6**	**0.6**	**427.2**	399.9	–	399.9	6.7%	NM*	6.8%
Outpatient	**388.1**	**120.2**	**508.3**	365.4	31.4	396.8	6.2%	NM*	28.1%
Other	**27.5**	**0.2**	**27.7**	26.8	–	26.8	2.6%	NM*	3.4%
Total revenue	**1,390.2**	**121.0**	**1,511.2**	1,327.6	31.4	1,359.0	4.7%	NM*	11.2%
Of which:									
PMI	**662.4**	**1.6**	**664.0**	615.7	0.8	616.5	7.6%	NM*	7.7%
Self-pay	**332.9**	**8.0**	**340.9**	344.0	7.8	351.8	(3.2%)	2.6%	(3.1%)
Total private	**995.3**	**9.6**	**1,004.9**	959.7	8.6	968.3	3.7%	11.6%	3.8%
Total NHS	**367.4**	**80.8**	**448.2**	341.1	14.9	356.0	7.7%	NM*	25.9%
Other	**27.5**	**30.6**	**58.1**	26.8	7.9	34.7	2.6%	NM*	67.4%
Total revenue	**1,390.2**	**121.0**	**1,511.2**	1,327.6	31.4	1,359.0	4.7%	NM*	11.2%

* Not meaningful due to the VHG acquisition in October 2023

Hospitals Business Revenue on comparable basis (adjusted for the effect of Tunbridge Wells)

(£m)	2024 Hospitals Business adjusted for the effect of Tunbridge wells	2024 Tunbridge wells	2024 Hospitals Business	2023 Hospitals Business adjusted for the effect of Tunbridge wells	2023 Tunbridge wells	2023 Hospitals Business	Variance % (2024-2023) Hospitals Business adjusted for the effect of Tunbridge wells	Variance % Tunbridge wells	Variance % Hospitals Business
Total revenue	**1,386.5**	**3.7**	**1,390.2**	1,314.8	12.8	1,327.6	5.5%	NM*	4.7%

Primary Care Revenue on comparable basis (adjusted for the effect of the acquisition in 2023)

	2024	2023			Variance % (2024-2023)	
(£m)	Primary Care	Primary Care as reported in 2023	Pro-forma adjustment for full year VHG	Pro-forma adjusted Primary Care	Primary Care	Primary Care
Total revenue	**121.0**	31.4	73.8	105.2	**NM***	**15.0%**

Cost of sales and gross profit

For the Hospitals business, gross margin remained flat at 46.2%. Cost of sales increased in the period by £34.1 million or to £748.4 million (2023: £714.3 million). Increased costs are due to inflationary pressures and continued wage rate expansion, managed effectively through strong procurement processes, the benefit of an energy hedge for the majority of the year (which rolled off in early Q4) and our transformation cost savings programme; alongside optimisation of acuity, payor mix and pricing.

Primary Care gross margin decreased slightly to 34.5% from 34.7% as they include a number of younger maturity services across the Spire Clinics and LDC. Over time, we expect these margins to increase significantly through a combination of building scale and maturity.

Cost of sales is broken down, and presented as a percentage of relevant revenue, as follows:

	Year ended 31 December 2024		Year ended 31 December 2023	
	£m	% of revenue	£m	% of revenue
Clinical staff	**375.9**	**24.9%**	304.1	22.4%
Direct costs	**325.5**	**21.5%**	312.4	23.0%
Medical fees	**126.2**	**8.4%**	118.3	8.7%
Cost of sales	**827.6**	**54.8%**	734.8	54.1%
Gross profit	**683.6**	**45.2%**	624.2	45.9%

Cost of sales is broken down, and presented as a percentage of relevant revenue split by operating segment, as follows:

	Hospitals Business			
	Year ended 31 December 2024		Year ended 31 December 2023	
	£m	% of revenue	£m	% of revenue
Clinical staff	**302.0**	**21.7%**	285.9	21.5%
Direct costs	**321.8**	**23.1%**	311.7	23.5%
Medical fees	**124.6**	**9.0%**	116.7	8.8%
Cost of sales	**748.4**	**53.8%**	714.3	53.8%
Gross profit	**641.8**	**46.2%**	613.3	46.2%

	Primary Care			
	Year ended 31 December 2024		Year ended 31 December 2023	
	£m	% of revenue	£m	% of revenue
Clinical staff	**73.9**	**61.1%**	18.2	58.0%
Direct costs	**3.7**	**3.1%**	0.7	2.2%
Medical fees	**1.6**	**1.3%**	1.6	5.1%
Cost of sales	**79.2**	**65.5%**	20.5	65.3%
Gross profit	**41.8**	**34.5%**	10.9	34.7%

Other operating costs

For the Hospitals business other operating costs, excluding adjusting items have increased by £25.4 million, or 5.2% to £511.1 million (2023: £485.7 million). The main driver is increased central and non-clinical staff costs due to continued wage rate expansion and other inflationary pressures. Depreciation for the year was £106.4 million (2023: £102.6 million). The increase in depreciation is in line with expectations and is due to increased capex investment and RPI increases on properties. Operating margin for the year ended 31 December 2024 is 9.7% (2023: 9.6%). Operating margin, excluding adjusting items is 10.3%, up from 9.9% at 2023.

Other operating costs for the primary care business is £39.5 million (2023: £11.7million). Depreciation and amortisation for the year was £4.2 million (2023: £1.0 million).

Adjusted EBITDA

Group adjusted EBITDA increased by 11.1% to £260.0 million from £234.0 million, 9% on a comparable basis.

Hospitals adjusted EBITDA was £249.7 million (2023: £233.8 million) delivered through price and acuity benefits, and transformation cost savings; whilst also seeing investment in hospital staff, payor mix changes and energy cost rises as discussed above.

Primary care services adjusted EBITDA was £10.3 million (2023: £0.2 million), with a very strong expansion in EBITDA margin of 340 bps, on a comparable basis, to 8.5%. Primary care services have lower EBITDA margins than the group given they include a number of younger maturity services across the Spire Clinics and LDC. Over time, we expect these margins to increase significantly through a combination of building scale and maturity.

Share-based payments

During the period, grants were made to executive directors and other employees under the company's Long Term Incentive Plan. For the year ended 31 December 2024, the charge to the income statement is £4.2 million (2023: £3.7 million), or £4.7 million inclusive of National Insurance (2023: £4.1 million). Further details are contained in note 29.

Adjusting items

(£m)	Year ended 31 December 2024	2023
Asset acquisitions, disposals and aborted project costs	**(2.8)**	3.1
Business reorganisation and corporate restructuring costs	**4.3**	2.0
Remediation of regulatory compliance or malpractice costs	**6.9**	(0.9)
Clinic set up costs	**1.9**	–
Amortisation on acquired intangible assets	**1.6**	–
Total pre-tax adjusting items	**11.9**	4.2
Income tax (credit)/charge on adjusting items	**(1.8)**	0.3
Total post-tax adjusting items	**10.1**	4.5

Adjusting items comprise those matters where the directors believe the financial effect should be adjusted for, due to their nature, size or incidence, in order to provide a more accurate comparison of the group's underlying performance.

Asset acquisitions, disposals and aborted project credit of £2.8 million includes a profit of £4.5 million relating to the sale of the group's Tunbridge Wells hospital to Maidstone and Tunbridge Wells NHS Trust ('Trust') for £9.975 million. Refer to disposal note 35 for more details. In addition, there is £0.6 million of integration and other acquisition costs relating to the VHG acquisition and £0.6 million true up to provision on the DCG and Claremont acquisitions.

In the prior year, costs of £3.1 million mainly relate to asset acquisitions of Vita Health Group Limited and The Doctors Clinic Group.

Business reorganisation and corporate restructuring relates to the group announcement of a strategic, group wide initiative in H2 21 that will enable a more efficient business operating model, including leveraging digital solutions and technology. As a result of this initiative, additional costs of £3.5 million (2023: £2.0 million) have been incurred in the period, bringing costs to date of £9.3 million. This initiative is being implemented over several phases and is likely to be materially completed during 2026 as communicated at our capital markets event in April 2024. Future costs are not disclosed as a reliable estimate cannot be made due to the nature of the matter. £0.7 million has been incurred in respect of restructuring costs relating to the Doctors Clinic Group.

Remediation of regulatory compliance or malpractice costs reflect an increase in the provision in June 2024 of £4.6 million (2023: £2.5 million). The provision was established by Spire Healthcare in respect of implementing the recommendations of the Independent Inquiry including a detailed patient review and support for patients of Paterson. The project is complex and the process for review and settlement of claims, where relevant, takes some time. The detailed patient review has now reached the milestone of having contacted all living patients and invited them, where appropriate, to consultations to discuss their care. As a consequence, the rate of new claims has dropped significantly, as most patients now have their outcomes of their review and have initiated their claim, where relevant. Claims activity in the second half of the year has therefore been in line with the assumptions taken by management and the provision established at the half year. As a result there has been no subsequent increase in the provision. In addition, £1.7 million of legal fees have been incurred for the ongoing inquests. Whilst it is possible that, as further information becomes available, an adjustment to this provision will be required, at this time it reflects management's best estimate of the costs and settlement of claims.

In the prior year the group has recognised a credit of £0.9 million in respect of Remediation of Regulatory Compliance or Malpractice Costs relating to Paterson. This comprised £2.5 million funds received from its insurer and £0.9 million reduction in provision which had been held to resolve the matter. This was offset by an increased separate provision in respect of Paterson by £2.5 million.

Clinic set up costs relate to costs incurred for the set-up of the Abergele and Harrogate clinics prior to opening. The clinic in Abergele opened in February 2024 and Harrogate in January 2025.

£0.9 million of amortisation on acquired intangible assets related to the customer contracts recognised on the acquisition of VHG in October 2023.

Net finance costs
Net finance costs have increased by £7.6 million to £99.2 million (2023: £91.6 million). Mainly due to RPI increases on leases and a slightly higher average interest rate on bank borrowings.

Taxation
The effective tax rate assessed for the year, all of which arises in the UK, differs from the standard weighted rate of corporation tax in the UK. The reconciliation of the actual tax charge to that at the domestic corporation tax rate is as follows:

(£m)	Year ended 31 December 2024	2023
Profit before taxation	**38.3**	34.6
Tax at the standard rate	**9.6**	8.1
Effects of:		
Expenses and income not deductible or taxable	**1.1**	3.2
Adjustment for movement of share-based payments	**0.3**	–
Tax adjustment for the super-deduction allowance	**–**	(0.8)
Adjustments in respect of prior year	**1.3**	(4.2)
Difference in tax rates	**–**	0.2
Deferred tax not previously recognised	**–**	0.2
Total tax charge	**12.3**	6.7

Corporation tax is calculated at 25.0% (2023: 23.5%) of the estimated taxable profit or loss for the year. The effective tax rate on profit before taxation for the year is 32.1%. The effective tax rate is higher than the UK rate due to due to the impact of prior year adjustments and non-deductible items. Excluding the adjustments to prior years in 2024, the effective tax rate is 28.1%. Deferred tax is detailed in note 25.

Profit after taxation
The profit after taxation for the year ended 31 December 2024 was £26.0 million (2023: £27.9 million).

Adjusted financial information
This statement was prepared for illustrative purposes only and did not represent the group's actual earnings. The information was prepared as described in the notes set out below.

Chief financial officer's review continued

Alternative performance (non-GAAP) financial measures

We have provided alternative financial information that has not been prepared in accordance with UK-adopted International Accounting Standards ("IFRS"). We use these alternative financial measures internally in analysing our financial results and believe they are useful to investors, as a supplement to IFRS measures, in evaluating our ongoing operational performance. We believe that the use of these alternative financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in comparing our financial results with other companies in the industry, many of which present similar alternative financial measures to investors.

Alternative financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with IFRS. Investors are encouraged to review the reconciliation of these alternative financial measures to their most directly comparable IFRS financial measures provided in the financial statements table.

Adjusted EBITDA, Adjusted EBIT and Hospital Business Adjusted EBITDA margin

	Year ended 31 December					
	2024			2023		
(£m)	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Operating profit	135.2	2.3	137.5	127.0	(0.8)	126.2
Remove effects of:						
Adjusting items before interest and tax	8.1	3.8	11.9	4.2	–	4.2
Adjusted EBIT	143.3	6.1	149.4	131.2	(0.8)	130.4
Depreciation	106.4	1.6	108.0	102.6	0.4	103.0
Amortisation	–	2.6	2.6	–	0.6	0.6
Adjusted EBITDA	249.7	10.3	260.0	233.8	0.2	234.0
Revenue	1,390.2	121.0	1,511.2	1,327.6	31.4	1,359.0
Adjusted EBITDA	249.7	10.3	260.0	233.8	0.2	234.0
Adjusted EBITDA margin	18.0%	8.5%	17.2%	17.6%	0.6%	17.2%

Hospitals Business Adjusted EBITDA and EBIT on comparable basis (adjusted for the effect of Tunbridge Wells)

	2024			2023			Variance % (2024-2023)		
(£m)	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business
Total Adjusted EBITDA	249.2	0.5	249.7	232.7	1.1	233.8	7.1%	NM*	6.8%
Total Adjusted EBIT	143.0	0.3	143.3	130.8	0.4	131.2	9.3%	NM*	9.2%

Primary Care Adjusted EBITDA and EBIT on comparable basis (adjusted for the effect of the acquisition in 2023)

	2024	2023			Variance % (2024-2023)	
(£m)	Primary Care	Primary Care as reported in 2023	Pro-forma adjustment for full year VHG	Pro-forma adjusted Primary Care	Primary Care	Primary Care
Total Adjusted EBITDA	10.3	0.2	5.2	5.4	NM*	90.7%
Total Adjusted EBIT	6.1	(0.8)	2.6	1.8	NM*	238.9%

Adjusted profit after tax and adjusted earnings per share

Adjustments have been made to remove the impact of non-recurring items.

	Year ended 31 December	
(£m)	2024	2023
Profit before tax	38.3	34.6
Adjustments for:		
Adjusting Items – operating costs	11.9	4.2
Adjusted profit before tax	50.2	38.8
Taxation[1]	(14.1)	(6.4)
Adjusted profit after tax	36.1	32.4
Profit for the year attributable to owners of the parent	35.5	31.8
Profit/(loss) for the year attributable to non-controlling interests	0.6	0.6
Weighted average number of ordinary shares in issue (No.)	403,493,123	403,648,886
Adjusted earnings per share (pence) attributable to the parent	8.8	7.9

1. Reported tax charge for the period adjusted for the tax effect of adjusting Items.

Return on capital employed

Return on capital employed (ROCE) is the ratio of the group's adjusted EBIT to total assets less cash, capital investments made in the last 12 months and current liabilities. In the current year the calculation annualises the EBIT of the VHG acquisition as it was not part of the group for the full year. The calculation of return on capital employed is shown below:

	Year ended 31 December	
(£m)	2024	2023
Adjusted EBIT	149.4	130.4
Adjusted: for full year pro-forma effect of VHG acquisition	–	6.8
Adjusted EBIT pre VHG	149.4	137.2
Total assets	2,343.2	2,288.1
Less: Cash and cash equivalents	(41.2)	(49.6)
Less: Capital investments	(127.2)	(84.4)
Less: Current Liabilities	(341.7)	(317.6)
Capital employed	1,833.1	1,836.5
Return on capital employed %	8.2%	7.5%

Adjusted free cash flow

Adjusted FCF (Free Cash Flow) is calculated as adjusted EBITDA, less rent, capital expenditure cash flows and changes in working capital after adjusting for one-off items which are not related to the normal trading activity of the business. Rent cash flows are defined as interest on, and payment of, lease liabilities. Capital expenditure cash flows are defined as the purchase of plant, property and equipment. The calculation of readjusted free cash flow is shown below:

	Year ended 31 December	
(£m)	2024	2023
Adjusted EBITDA	**260.0**	234.0
Less: Rental payments	**(102.3)**	(100.2)
Less: Cash flow for the purchase of property, plant and equipment	**(112.1)**	(84.4)
Less: Working capital movement	**(7.0)**	(15.5)
Less: Adjustments for non-recurring items	**0.4**	14.1
Adjusted free cash flow	**39.0**	48.0

Cash flow analysis for the period

	Year ended 31 December	
(£m)	2024	2023
Opening cash balance	**49.6**	74.2
Operating cash flows before recurring items and VHG	**244.3**	228.2
Less: Adjustments for non-recurring items and VHG	**(2.6)**	(9.9)
Operating cash flows before Adjusting Items and income tax paid	**241.7**	218.3
Net cash flow from Adjusting Items (included in operating cash flows)	**(5.9)**	(2.7)
Income tax paid	**(0.1)**	(0.1)
Operating cash flows after operating Adjusting Items and income tax	**235.7**	215.5
Net cash in investing activities	**(99.0)**	(84.0)
Cash outflow for acquisition of subsidiary	**–**	(73.2)
Investing cash flows after investing Adjusting Items	**(99.0)**	(157.2)
Net cash in financing activities	**(145.1)**	(82.9)
Financing cash flows after financing Adjusting Items	**(145.1)**	(82.9)
Closing cash balance	**41.2**	49.6

Closing cash balance

The group's year end cash balance stood at £41.2 million, which reflects a reduction of £8.4 million against the prior year balance of £49.6 million. The reduction in cash is largely due to increased capital expenditure of £27.7 million offset by proceeds from the Tunbridge Wells proceeds of £10.0 million. There is £5.4 million of capital expenditure related to solar panels, for which we expect to convert and enter into a sale and leaseback agreement in early 2025 and therefore represents a timing difference on cash. Further detailed information on the cash flow during the period is set out in the following sections.

Operating cash flows before adjusting items

The cash inflow from operating activities before tax, adjusting items was £244.3 million (2023: £228.2 million), which constitutes a cash conversion rate from £260.0 million adjusted EBITDA of 94% (2023: 98% conversion of £232.2 million adjusted EBITDA). The net cash outflow from movements in working capital in the period was £7.0 million (2023: £15.5 million outflow).

Investing and financing cash flows

Net cash outflow in investing activities for the period was £99.0 million (2023: £157.2 million). The cash outflow relates to the purchase of plant, property and equipment in the period totalled £112.1 million (2023: £84.4 million). Capital investments in the year includes major refurbishments at Spire Portsmouth and Spire Washington; energy savings initiatives including solar panel installations; and new MRI scanners. We also deployed an accelerated growth investment supporting the Primary Care expansion strategy, including the openings of Spire Clinics in Abergele, Harrogate and Norwich.

Net cash used in financing activities for the period was £145.1 million (2023: £82.9 million). Cash outflows include interest paid and other financing costs of £98.1 million (2023: £90.0 million), and £26.2 million (2023: £27.2 million) of lease liability payments, a final dividend payment of £8.5 million and £3.1 million for the buyback of shares to settle share awards and £3.1 million for share cancellation to return value to shareholders.

Borrowings

At 31 December 2024, the group has bank borrowings of £367.1 million (2023: £365.3 million), drawn under facilities which mature in February 2027.

	Year ended 31 December	
(£m)	2024	2023
Cash	**41.2**	49.6
Bank borrowings	**367.1**	365.3
Bank borrowings less cash and cash equivalents	**325.9**	315.7

In the prior year, the group exercised its option to extend the senior loan facility by a further year. The financial covenants and agreement terms relating to this agreement are unchanged, with leverage to be below 4.0x and interest cover to be in excess of 4.0x. As at 31 December 2024 the leverage measure stood at 2.0x (2023:2.2x) and interest cover of 7.5x (2023: 8.5x).

As at 31 December 2024 lease liabilities were £912.8 million (2023: £891.7 million).

Dividend

The directors of Spire Healthcare have recommended the payment of a final dividend of 2.3 pence per share for the year ending 31 December 2024, subject to shareholder approval at the forthcoming Annual General Meeting on 14 May 2025.

Related party transactions

There were no significant related party transactions during the period under review.

Chairman's governance letter

Our strategy is delivering and we are well positioned for growth

"Spire has continued to deliver on its strategy, across our financial, quality and people measures. This encouraging performance is testament to Spire's culture."
Sir Ian Cheshire
Chairman

Dear shareholder,

I am pleased to introduce the governance report in a year where Spire has continued to deliver on its strategy, across our financial, quality and people targets. This encouraging performance is testament to Spire's culture: one that is characterised by openness, respect, collaborative working, a focus on clinical safety and a spirit of continuous improvement.

Spire's purpose is to make a positive difference to people's lives through outstanding personalised care. Spire is achieving this by running excellent hospitals, and developing primary care services to provide people with more choice and the opportunity to access the healthcare they need.

Our market fundamentals remain strong. Spire continues to play an important role in the NHS and is part of the new NHS partnership with the independent sector. Through its range of integrated services, Spire is meeting growing healthcare demand in the UK, building a healthier and more productive population.

Governance structure

We operate two principal committees for governance below the board; the clinical governance and safety committee (CGS), which runs a ward to board structure of controls, reviews clinical quality, and the audit and risk committee (ARC) which covers risk and financial controls.

Quality and safety

The board maintained a relentless focus on quality and safety, which is integrated into every aspect of the business, delivering continuous improvement. The board welcomed the implementation of the new Patient Safety Incident Response Framework (PSIRF) across the hospitals business in 2024, resulting in a step change in our culture and approach to patient safety incidents.

Audit and risk

The full report of the audit chair is on page 105, but it was with great sorrow that we announced that Martin Angle, deputy chairman and independent non-executive director, passed away in September 2024. Martin was a member of the board from 2019, was chair of the ARC and a member of CGS, nomination, and remuneration committees. Recruitment of his replacement is complete and I would like to thank Debbie White, our senior independent director, who has stepped in to cover the role in the interim.

Board changes

I was pleased to welcome Harbant Samra as chief financial officer after Jitesh Sodha stepped down from the board in May 2024. Harbant joined Spire Healthcare in 2018 as a group financial controller and became deputy CFO in 2022.

In May 2025, Dame Professor Janet Husband will step down from the board after 11 years chairing the CGS committee. We will miss her expertise and I am grateful for all she has done to drive strong clinical governance and a steep improvement in safety and culture during her tenure.

I am happy to announce that both Jill Anderson and Sir David Sloman will join us as non executive directors in March. Jill, who has a strong financial background, principally as a divisional chief financial officer at GSK plc, will take over from Debbie as chair of the ARC after the AGM in May 2025. Sir David will take over from Dame Janet as chair of CGS after the AGM in May 2025. Sir David is the former COO of the NHS and has had an extensive career in the NHS as hospital and regional CEO. He will bring a depth of healthcare governance experience to the board. As a result of Sir David's appointment with AXA UK and Ireland, the company does not consider him to be independent.

Looking ahead

Looking ahead, the board is confident that Spire can continue to deliver on its strategy and is well positioned to meet structural market growth. The work to transform the business during 2024 has laid the groundwork for further transformation, savings and margin improvement in 2025, and the outlook for the business is strong. The business has responded well to a changing market and economic developments by accelerating efficiencies and managing acuity, mix and pricing.

As the business continues to integrate healthcare offerings, Spire will accelerate the benefits of offering primary and secondary care services to provide a platform for growth and deliver sustainable shareholder value. Its progress is to the credit of the board, executive team, excellent management team and colleagues across the group, who have all contributed to Spire's growth in 2024.

Sir Ian Cheshire
Chairman

5 March 2025

Corporate governance report

Compliance with the UK Corporate Governance Code in 2024

The 2018 UK Corporate Governance Code (the 'Code') provides the standard for corporate governance in the UK. The Financial Conduct Authority requires listed companies to disclose whether they have complied with the provisions of the Code throughout the financial year under review.

The company has complied with the principles and provisions of the Code, throughout the year except as shown in the following table.

Code provision	How has the Company not complied with the provisions of the UK Code?	The Board's response
10	Dame Janet Husband has served for more than nine years from the date of her first appointment	A thorough review was undertaken in February 2024, with regard to Dame Janet Husband remaining on the board for longer than nine years. The assessment concluded that Dame Janet continues to make a valuable contribution to the board, and leads the clinical governance and safety committee effectively. There was considered no impairment to her independence resulting from her tenure. It was further considered to be in the best interests of the company that Dame Janet Husband continue in her role and the nomination committee recommended to the board that she remain a director. Dame Janet will not seek re-election at the annual general meeting on 14 May 2025 and will step down from the board then.

Director independence

Independence is determined by ensuring that, apart from receiving their fees for acting as directors or owning shares, non-executive directors do not have any other material relationship or additional remuneration from, or transactions with, the group, its promoters, its management or its subsidiaries, which in the judgement of the board may affect, or could appear to affect, their independence of judgement.

The company does not consider Dr Ronnie van der Merwe, who has been nominated to act as a non-executive director by Mediclinic Group Limited, the company's principal shareholder, to be independent. Mediclinic Group Limited's subsidiary, Mediclinic Jersey Limited (formerly Remgro Jersey Limited), entered into a relationship agreement with the company in June 2015 (the 'Relationship Agreement'). Under the terms of the Relationship Agreement, when Mediclinic International Limited controls 15% or more of the votes, it will be entitled to appoint one non-executive director to the board. It controls 29.9% of votes as at 5 March 2025. The directors believe that the terms of the Relationship Agreement will enable the group to carry on its business independently of Mediclinic Group Limited.

The board considers that, excluding the chairman, over half of the board is independent of management and free from any business or other relationship that could affect the exercise of their independent judgement.

Workforce engagement

The board has appointed the remuneration committee to monitor workforce engagement and report to the board on the progress of Spire Healthcare's workforce initiatives, together with the challenges, concerns and priorities of colleagues. This provides directors with an understanding into how culture is embedded across hospitals and central functions, and any issues to be addressed.

Conflicts of interest

Save as set out below, there are no actual or potential conflicts of interest between any duties owed by the directors or senior management to the company and their private interests or other duties. The board will continue to monitor and review potential conflicts of interest on a regular basis.

Director

Dr Ronnie van der Merwe

Conflict

Chief executive officer of Mediclinic Group Limited, which controls 29.9% of the voting rights in the company as at 5 March 2025.

Changes to your board during 2024

In early 2024, Jitesh Sodha decided that he wished to step down from the board and did not seek re-election by the company's shareholders at the annual general meeting on 9 May 2024. Harbant Samra was appointed chief financial officer from this date.

Martin Angle, Deputy Chairman and independent Non-Executive Director, sadly passed away in September 2024.

Principal decisions of the board during 2024

Throughout this annual report, we provide examples of how the company takes into account the likely consequences of long-term decisions; builds relationships with stakeholders; understands the importance of engaging with our colleagues; understands the impact of our operations on the communities in our region and the environment we depend upon; and attributes importance to behaving as a responsible business. The directors recognise the importance of effective stakeholder engagement and that stakeholders' views should be considered in its decision-making.

Decision of the board	Stakeholders	Link to Spire Healthcare's strategy	Further details can be found
Sale of Spire Tunbridge Wells Hospital	– NHS – Patients	Deliver a strong financial performance for shareholders and the fiscal strength needed to invest in future growth	Page 87
Expansion of Patient Support Centres	– Patients – Consultants – Colleagues	Investing in our workforce	Pages 23 and 37
Share buyback programme	– Shareholders	Deliver a strong financial performance for shareholders and the fiscal strength needed to invest in future growth	Page 124

The board has a formal schedule of matters reserved to it and delegates certain matters to committees. Specific matters reserved for the board considered during the year to 31 December 2024 included reviewing the group's performance (monthly and year-to-date), approving capital expenditure, setting and approving the group's strategy and annual budget.

Key roles and responsibilities

The company has set out in writing a division of responsibilities between the chairman, senior independent director and the chief executive officer.

Non-executive chairman

Sir Ian Cheshire

The non-executive chairman leads the board and is responsible for:

- The leadership and overall effectiveness of the board
- A clear structure for the operation of the board and its committees
- Setting the board agenda in conjunction with the chief executive officer an company secretary
- Ensuring that the board receives accurate, relevant and timely information about the group's affairs

Chief executive officer

Justin Ash

The chief executive officer manages the group and is responsible for:

- Developing the group's strategic direction for consideration and approval by the board
- Day-to-day management of the group's operations
- The application of the group's policies
- The implementation of the agreed strategy and purpose
- Being accountable to, and reporting to, the board on the performance of the business

Senior Independent Director

Debbie White

The board nominates one of the independent non-executive directors to act as senior independent director and is responsible for:

- Being an alternative contact for shareholders at board level other than the chairman;
- Acting as a sounding board for the chairman
- Leading the annual performance evaluation process for the board
- If required, being an intermediary for non-executive directors' concerns
- Undertaking the annual chairman's performance evaluation

Company Secretary

Mantraraj Budhdev

The company secretary supports the chairman on board corporate governance matters and is responsible for:

- Making appropriate information available to the board in a timely manner
- Ensuring an appropriate level of communication between the board and its committees
- Ensuring an appropriate level of communication between senior management and the non-executive directors
- Keeping the board apprised of developments in relevant legislative, regulatory and governance matters
- Facilitating a new director's induction and assisting with professional development, as required

Board and committee structure

Ultimate responsibility for the management of the group rests with the board of directors. The board focuses primarily upon strategic and policy issues and is responsible for:

- Leadership of the group
- Implementing and monitoring effective controls to assess and manage risk
- Supporting the senior leadership team to formulate and execute the group's strategy
- Monitoring the performance of the group
- Setting the group's values and standards

There is a specific schedule of matters reserved for the board.

The non-executive directors

The non-executive directors bring a wide range of skills and experience to the board. The independent non-executive directors represent a strong, independent element on the board and are well placed to constructively challenge and support management. They help to shape the group's strategy, scrutinise the performance of management in meeting the group's objectives and monitor the reporting of performance.

Their role is also to satisfy themselves with regard to the integrity of the group's financial information and to ensure that the group's internal controls and risk management systems are robust and defensible.

The independent non-executive directors oversee the adequacy of the risk management and internal control systems (from their membership of the audit and risk committee, and clinical governance and safety committee), as well as the remuneration for the executive directors (from their membership of the remuneration committee).

As members of the nomination committee, the non-executive directors also play a pivotal role in board succession planning and the appointment of new executive directors.

Your board in 2024

The principal decisions of the board during the year can be found on page 91.

Board meetings were held in person during the year and director attendance at scheduled meetings is shown on page 97.

The agenda at scheduled meetings in 2024 covered standing agenda items, including: a review of the group's performance from the chief executive officer; the current month's and year-to-date financial statistics from the chief financial officer; and a review of clinical performance and medical governance by both the group clinical director and group medical director. In addition, the board received a verbal report from committee chairs, where their committee met immediately in advance of the scheduled board meeting, and the board regularly received reports on legal and statutory matters.

The board's plan for 2025

It is currently planned that the board will convene for seven scheduled meetings in 2025, as well as holding any necessary ad hoc board and committee meetings to consider non-routine business.

The chairman and the other non-executive directors will meet on their own without the executive directors present. In addition, the senior independent director and other non-executive directors will meet without the chairman present to discuss matters such as the chairman's performance.

The board will maintain its focus on the group's pursuit of its 2025 targets during the year. Its activities will include:

- Reviewing and approving the 2024 annual report
- Reviewing the revised five-year strategic plan and approving the 2025 annual operating plan
- Completing deep dives into key areas of the business
- Embedding the risk management framework
- Reviewing the makeup of the board
- Following a rolling agenda, ensuring proper time for strategic debate

Furthermore, the board will maintain its commitment to continuous improvement of clinical quality and the use of Quality Improvement methodology. It will maintain overall responsibility for the group's system of internal control and risk management processes via the relevant board committees.

Disclosure committee

The board has established a disclosure committee to ensure, under delegated authority, that the company complies with its disclosure obligations, specifically under the Market Abuse Regulation and related legislation. The disclosure committee also manages the company's share dealing code, ensuring colleague compliance and provides training where required. The members of the disclosure committee are shown on page 95.

Share schemes committee

In addition, the board delegates certain responsibilities in relation to the administration of the company's share schemes on an ad hoc basis to the share schemes committee. This committee operates in accordance with the delegation of authority agreed by the board.

Executive committee

The executive committee meets twice a month, splitting its time between project work and strategic matters. The executive committee delegates certain matters to the safety, quality and risk committee which has specific focus on safety, quality and risk matters (see the governance framework on page 95).

National medical professional standards committee

The national medical professional standards committee meets monthly and is chaired by the group medical director, with membership including the group clinical director, chief operating officer (deputy chair), associate medical directors, director of integrated quality governance and legal advisor.

The purpose of the national medical professional standards committee is to:

- Have oversight of performance and monitoring of safety standards of consultants and GPs with practising privileges or employed by Spire Healthcare
- Have oversight over the investigations relating to the practice of doctors with practising privileges at Spire Healthcare's facilities in order to provide assurance to the executive committee and board in relation to compliance with medical policies relating to professional standards
- Provide oversight of consultant-related Patient Notification Exercises in order to promote and maintain good medical practice, and inform the continuous quality improvement programme across Spire Healthcare
- Ensure that local and organisational learning is determined and actioned in relation to medical professional standards and performance

Board meetings

The attendance of the directors who served during the year ended 31 December 2024, and meetings of the board during 2024, are shown on page 97. To the extent that directors are unable to attend scheduled meetings, or additional meetings called on short notice, they will receive the papers in advance and relay their comments to the chairman for communication at the meeting. The chairman will follow up after the meeting in relation to both the discussions held and decisions taken.

Effectiveness

Board composition

The board seeks to ensure that both it and its committees have the appropriate range of skills, experience, independence and knowledge of the group to enable them to discharge their respective duties and responsibilities effectively; for example, the 2024 board calendar included sessions on clinical data analysis and statutory regulations. The board considers its size and composition to be appropriate for the current requirements of the business but will continue to keep this under review.

Committee composition is set out in the relevant committee reports and listed on page 95. No one other than committee chairs and members of the committees is entitled to participate in meetings of the audit and risk, CGSC, disclosure, nomination and remuneration committees, unless by invitation of the respective committee chair.

Debbie White is the Senior Independent Director. Biographical details of the directors are set out on pages 98 to 99.

Appointments to the board

Recommendations for appointments to the board are made by the nomination committee. As part of the recruitment process the nomination committee follows a formal, rigorous and transparent procedure. Further information is set out in the nomination committee report on page 101.

Time commitment of the non-executive directors

The non-executive directors each have a letter of appointment which sets out the terms and conditions of their directorship. An indication of the anticipated time commitment is provided in any recruitment role specification, and each director's letter of appointment provides details of the meetings that they are expected to attend.

Non-executive directors are required to set aside sufficient time to prepare for meetings, and to regularly refresh and update their skills and knowledge. In signing their letters of appointment, all directors have agreed to commit sufficient time for the proper performance of their responsibilities, acknowledging that this will vary from year to year, depending on the group's activities.

Directors are expected to attend all board and committee meetings, and any additional meetings, as required. Each director's other significant commitments were disclosed to the board at the time of their appointment and they are required to notify the board of any subsequent changes. The group has reviewed the availability of the non-executive directors and considers that each of them is able to, and in practice does, devote the necessary amount of time to the group's business.

Induction and training

Generally, reference materials are provided, including information about the board, its committees, directors' duties, procedures for dealing in the group's shares and other regulatory and governance matters, and directors are advised of their legal and other duties, and obligations as directors of a listed company.

On joining the board, it is the responsibility of the chairman and company secretary to ensure that all newly appointed directors receive a full and formal induction which is tailored to their individual needs. The induction programme includes a comprehensive overview of the group, dedicated time with other directors and senior management, as well as guidance on the duties, responsibilities and liabilities as a director of a listed and regulated company. These activities will form part of the induction programmes for Sir David Sloman and Jill Anderson once in role.

The company secretary ensures that any additional request for information is promptly supplied. The chairman, through the company secretary, ensures that there is an ongoing process to review any internal or external training and development needs.

As already noted, in the event of a general training need, in-house training will be provided to the entire board. Necessary and relevant regulatory updates are provided by the group general counsel and company secretary or by external advisers as required.

Information and support

The board ensures that it receives, in a timely manner, information of an appropriate quality to enable it to adequately discharge its responsibilities. This is aided by the use of an online portal. Papers are provided to the directors in advance of the relevant board or committee meeting to enable them to make further enquiries about any matters prior to the meeting, should they so wish. This also allows directors who are unable to attend to submit views in advance of the meeting.

Outside the board papers process, the executive directors provide written updates to the non-executive directors on important business issues, including financial and commercial information. In addition, relevant updates on shareholder matters (including analysts' reports) are also provided to the board.

All directors have access to the advice and services of the company secretary. There is also an agreed procedure in place for directors, in the furtherance of their duties, to take independent legal advice, if necessary, at the group's expense.

Election and re-election of directors

All the directors appointed at the time offered themselves for re-election at the tenth annual general meeting in May 2024 with the exception of Jitesh Sodha who did not stand for re-election. Directors are elected or re-elected in accordance with the requirements of the Code.

All of the company's directors, with the exception of Dame Janet Husband who will step down from the board, will stand for re-election at the annual general meeting in May 2025.

The biographical details of each director standing for election or re-election is included in the 2025 notice of annual general meeting. The board believes that each of the directors standing for election or re-election is effective and demonstrates commitment to their respective roles. Accordingly, the board recommends that shareholders approve the resolutions to be proposed at the 2025 annual general meeting relating to the election and re-election of the directors.

The biographical details of all directors are set out on pages 98 to 99.

Directors' indemnities

The directors of the company have the benefit of a third-party indemnity provision, as defined by section 236 of the Companies Act 2006, in the group's articles of association. In addition, directors and officers of the group are covered by directors' and officers' liability insurance.

Directors' conflicts of interest

The Companies Act 2006 provides that directors must avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with a company's interests. Directors of public companies may authorise conflicts and potential conflicts, where appropriate, if a company's articles of association permit.

The board has established formal procedures to authorise situations where a director has an interest that conflicts, or may possibly conflict, with the interests of the company – Situational Conflicts. Directors declare Situational Conflicts, so that they can be considered for authorisation by the non-conflicted directors.

In considering a Situational Conflict, these directors act in the way they consider would be most likely to promote the success of the group, and may impose limits, or conditions, when giving authorisation or, subsequently, if they think this is appropriate.

The company secretary records the consideration of any conflict and any authorisations granted. The board believes that the system it has in place for reporting Situational Conflicts continues to operate effectively.

Non-executive director engagement with hospitals

Non-executive directors, particularly the members of the clinical governance and safety committee are regular attendees at a wide range of hospital briefings, meetings and specialist conferences. These events have included local and national meetings, and the national medical professional standards committee. Directors have also attended the national theatre managers conference and the national pharmacy managers conference, as well as conferences for directors of clinical services and critical care, and cardiology specialists.

Accountability

The audit and risk committee

The audit and risk committee report is set out on pages 105 to 110, and identifies its members, whose biographies are set out on pages 98 and 99.

The report describes the audit and risk committee's work in discharging its responsibilities during the year ended 31 December 2024, and its terms of reference can be found on the group's website at www.investors.spirehealthcare.com.

Risk management and internal control

The board has overall responsibility for establishing and maintaining a sound system of risk management and internal control, and for reviewing its effectiveness. This system is designed to manage, rather than eliminate, the risks facing the group and safeguard its assets. No system of internal control can provide absolute assurance against material misstatement or loss. The group's system is designed to provide the directors with reasonable assurance that issues are identified on a timely basis and are dealt with appropriately.

The audit and risk committee and the clinical governance and safety committee, whose reports are set out on pages 105 to 110 and pages 103 to 104 respectively, assist the board in reviewing the effectiveness of the group's risk management system and internal controls, including financial, clinical, operational and compliance controls.

Executive compensation and risk

Only independent non-executive directors are allowed to serve on the audit and risk committee and remuneration committee. The non-executive directors are therefore able to bring their experience and knowledge of the activities of each committee to bear when considering the critical judgements of the other.

This means that the directors are in a position to consider carefully the impact of incentive arrangements on the group's risk profile and to ensure the group's remuneration policy and programme are structured, so as to accord with the long-term objectives and risk appetite of the group.

Financial and non-financial risk

The clinical governance and safety committee, with the audit and risk committee, collectively ensure that the control and monitoring of both financial and non-financial risks is satisfactory.

In addition, both committees seek to ensure, as far as practicable, there are no elements omitted or unnecessarily duplicated, and that all critical judgements receive the correct level of challenge.

Relations with shareholders

The board is committed to communicating with shareholders and stakeholders in a clear and open manner, and seeks to ensure effective engagement through the group's regular communications, the annual general meeting and other investor relations activities.

The group undertakes an ongoing programme of meetings with investors, which during 2024 was led by the chief executive officer, chief financial officer and the director of investor relations. The non-executive chairman, senior independent director and committee chairs remain available for discussion with shareholders on matters under their areas of responsibility, either through contacting the company secretary or directly at the annual general meeting.

The company reports its financial results to shareholders twice a year, with the publication of its annual and half yearly financial reports.

Corporate governance report continued

Governance framework in 2024

Non-Executive Chairman
Sir Ian Cheshire

Key objectives:
- Ensure effectiveness of the board
- Promote high standards of corporate governance
- Ensure clear structure for the operation of the board and its committees
- Encourage open communication between all directors

Senior Independent Director
Debbie White

The board of Spire Healthcare Group plc
The board comprises ten directors – the non-executive chairman, two executive directors and seven non-executive directors, six of whom are deemed to be independent for the purposes of the 2018 UK Corporate Governance Code. Mantraraj Budhdev serves the board as company secretary.

Key objectives:
- Leads the group
- Oversees the group's system of risk management and internal controls
- Supports the executive committee to formulate and execute the group's strategy
- Monitors the performance of the group
- Sets the group's values and standards

Audit and risk committee
Debbie White (interim chair), Natalie Ceeney, Dame Janet Husband

Key objectives:
- Monitors the integrity of financial reporting
- Assists the board in its review of the effectiveness of the group's internal control and risk management systems

Clinical governance and safety committee
Dame Janet Husband (chair), Justin Ash, Jenny Kay, Professor Cliff Shearman

Key objectives:
- Promotes, on behalf of the board, a culture of high-quality and safe patient care; and monitors specific non-financial risks and their associated processes, policies and controls:

(i) clinical and regulatory risks
(ii) health and safety
(iii) facilities and plant

Disclosure committee
Sir Ian Cheshire (chair), Justin Ash, Harbant Samra, Debbie White

Key objectives:
- Ensures that the company complies with its disclosure obligations, specifically under the Market Abuse Regulation and related legislation
- Oversees the company's Share Dealing Code including colleague training

Nomination committee
Sir Ian Cheshire (chair), Natalie Ceeney, Dame Janet Husband, Dr Ronnie van der Merwe, Debbie White

Key objectives:
- Advises the board on appointments, retirements and resignations from the board and its committees
- Reviews succession planning for the board

Remuneration committee
Natalie Ceeney (chair), Paula Bobbett, Jenny Kay

Key objectives:
- Determines the appropriate framework and level for remuneration of the chairman, executive directors, company secretary and other members of the executive committee
- Reviews workforce remuneration and related policies

Executive committee
The group also operates an executive committee (convened and chaired by the chief executive officer). The executive committee meets fortnightly.

Key objectives:
- Assists the chief executive officer in discharging his responsibilities
- Ensures a direct line of authority from any member of staff to the chief executive officer
- Assists in making executive decisions affecting the company

Safety, quality and risk committee
A committee of the executive committee (jointly chaired by the group clinical director and group medical director) that focuses on safety, quality and risk matters across the group's operations. The safety, quality and risk committee met bi-monthly during 2024.

Key objectives:
- Reviews the group's clinical performance
- Reviews evidence of compliance with statutory notification requirements
- Scrutinises all unexpected deaths occurring at hospitals

In conjunction with these announcements, presentations or teleconference calls are held with institutional investors and analysts, and copies of any presentation materials issued are made available through the company's website at www.investors.spirehealthcare.com.

All directors are expected to attend the company's annual general meeting, providing shareholders with the opportunity to question them about issues relating to the group, either during the meeting or informally afterwards.

Modern slavery

Spire Healthcare Group is committed to acting ethically and with integrity in all our relationships, in line with our value of 'Doing the right thing'. Our approach to tackling the risk of modern slavery continues to evolve under the oversight of our sustainability committee, which reports to our executive committee to ensure that our directors have full oversight on all relevant matters.

Our two main areas of focus are: a) to safeguard patients, colleagues and others who come through our facilities; and b) in our supply chain. In our business operations, we believe practitioners and colleagues are well-placed to identify and deal with modern slavery concerns through the safeguarding training and protections we have in place. The safeguarding system trains those practitioners and other colleagues (clinical and non-clinical) to recognise and report signs of abuse.

We believe the rigour of this system mitigates the risk of modern slavery from either going undetected or being dealt with inadequately. This risk is further controlled by the support, training and infrastructure in place for all colleagues to be able to raise concerns through our network of Freedom to Speak Up Guardians, or other available channels. In 2024, we:

- Maintained our modern slavery due diligence process for new suppliers with an annual spend in excess of £1 million. There were no issues identified through this process
- Continued to apply our procurement policy, which ensures that our hospitals and clinics are equipped with guidance and a risk assessment tool for evaluating modern slavery risks in local contracts
- Continued supplier and product rationalisation initiatives, focusing our attention on increasing the proportion of spend with long-standing reputable suppliers, with whom satisfactory due diligence has been carried out
- Reviewed the merits of procuring a third-party supplier risk management solution and determined, at this stage, not to progress further as we considered our internal processes to be adequate

Spire Healthcare's latest Modern Slavery Act statement
investors.spirehealthcare.com/investors/modern-slaveryact-statement

Vita Health Group's Modern Slavery Act statement
vitahealthgroup.co.uk/slavery-and-human-traffickingstatement

Annual general meeting

Shareholders are encouraged to participate at the company's annual general meeting, ensuring that there is a high level of accountability and identification with the group's strategy and goals. A summary of the proxy voting at the 2024 annual general meeting was made available via the London Stock Exchange and on the company's website as soon as reasonably practicable on the same day as the meeting and is shown below:

	Summary of resolution	Total votes for %	Total votes against %	Number of votes withheld
1	2023 Annual report and accounts	100.00%	0.00%	739,267
2	2023 Directors' remuneration report	98.67%	1.33%	8,287
3	2023 Directors' Remuneration Policy	98.64%	1.36%	5,787
4	Final dividend	100.00%	0.00%	3,520
5 to 15	Election or re-election of directors	Between 100.00% and 95.71%	Between 0.00% and 4.29%	Maximum 3,109,101
16	Reappointment of auditors	99.67%	0.33%	2,538
17	Auditors' remuneration	99.91%	0.09%	3,907
18	Political expenditure	98.19%	1.81%	2,013
19	Authority to allot shares	97.63%	2.37%	3,789
20	Rules of the LTIP	99.30%	0.70%	293,200
21	Rules of the DSBP	99.98%	0.02%	295,199
22	Disapplication of statutory pre-emption rights*	99.19%	0.81%	7,087
23	Disapplication of statutory pre-emption rights for an acquisition*	96.88%	3.12%	3,745
24	Authority to purchase own shares*	99.76%	0.24%	20,593
25	General meetings to be held on 14 clear days' notice*	99.12%	0.88%	5,343

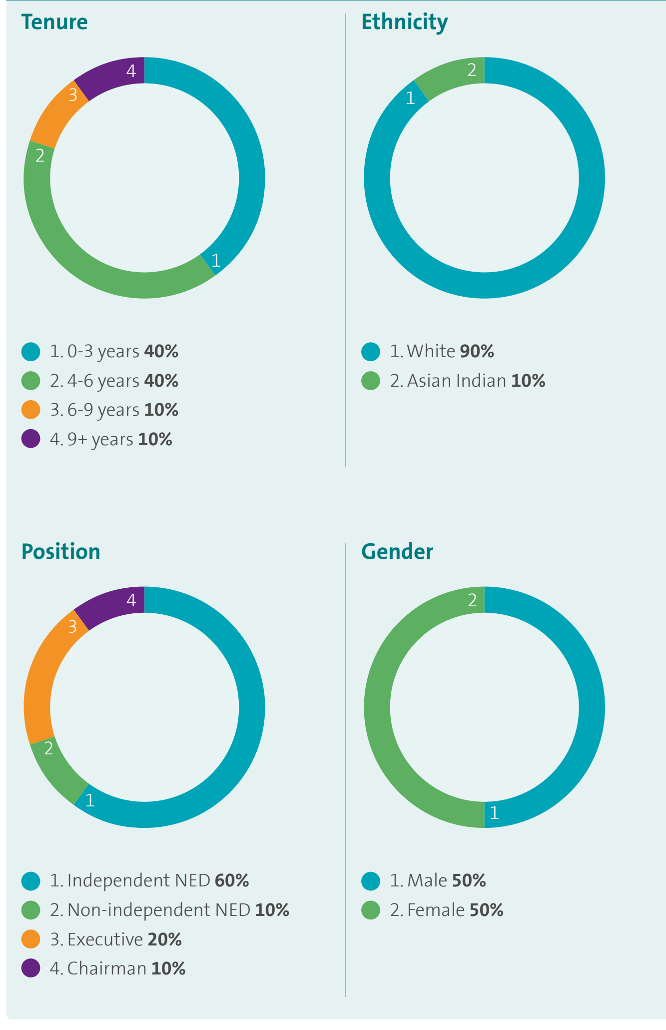
* Special resolution.

The corporate governance report has been approved by the board and signed on its behalf by:

Mantraraj Budhdev
Company Secretary

5 March 2025

Board of directors



Board meeting attendance during 2024

Chairman and executive directors	Board meetings
Non-Executive Chairman	
Sir Ian Cheshire	7/7
Senior Independent Director	
Debbie White	7/7
Executive directors	
Justin Ash	7/7
Harbant Samra	5/5

Non-executive directors	Board meetings
Paula Bobbett	7/7
Natalie Ceeney	7/7
Dame Janet Husband	7/7
Jenny Kay	7/7
Professor Cliff Shearman	7/7
Dr Ronnie van der Merwe	6/7

Board skills, experience and background

- Healthcare
- Accounting and finance
- Sustainability and ESG
- UK plc experience
- Multi-site operating
- M&A
- Remuneration
- Digital and technology

The Financial Conduct Authority (FCA) has introduced a requirement for listed companies to report on new board diversity targets and provide data on the gender and ethnic diversity of the board and in its executive management. Following the FCA's definition, executive management for these purposes, means the members of our executive committee. However, we have included board members who are also in executive management only in the board members column, and not in the executive management column, in the below tables. We are committed to improving diversity across all protected characteristics and will continue to make progress in line with the new requirements from the FCA.

	Number of board members*	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
FCA gender diversity reporting as at 31 December 2024					
Men	5	50%	3	4	57%
Women	5	50%	1	3	43%
Not specified/ prefer not to say	–	–	–	–	–

FCA ethnic diversity reporting as at 31 December 2024	Number of board members*	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	9	90%	3	6	86%
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	1	10%	1	1	14%
Black/African/ Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/ prefer not to say	–	–	–	–	–

* The number of board members includes those who are members of both the board and the executive management.

Further details on levels of gender and ethnic diversity across all of Spire Healthcare can be found in Sustainability from page 46.

Board of directors continued

Key to board and executive committees

- A Audit and risk committee
- C Clinical governance and safety committee
- D Disclosure committee
- N Nomination committee
- R Remuneration committee
- E Executive committee
- S Safety, quality and risk committee

Committee chair

Sir Ian Cheshire
Non-Executive Chairman

Sir Ian Cheshire joined Spire Healthcare as chairman-designate in March 2021 and became non-executive chairman at the conclusion of its annual general meeting in May 2021

Current external appointments
- Chairman of Land Securities Group plc
- Chairman of Channel 4
- Senior adviser to Ardea Partners
- Trustee of the Institute for Government
- Chair of We Mean Business Coalition

Skills and previous experience

Sir Ian brings to Spire Healthcare considerable FTSE experience, deep understanding of the government-business interface and broad ESG credentials, which are important to the company's strategy and long-term sustainable success.

Sir Ian was chairman of Barclays Bank UK PLC until December 2020 and a non-executive director of Barclays PLC, BT Group plc and Menhaden Resource Efficiency plc until May 2021, July 2023 and September 2024 respectively. He was also previously senior independent director and remuneration committee chair of Whitbread plc until September 2017. Sir Ian held a variety of posts whilst at Kingfisher plc including chief executive of B&Q from 2005 to 2008 and group chief executive from 2008 to 2014. He is involved with many charitable organisations, such as The Prince of Wales's Charitable Fund, which he also chairs, and has also worked with various government departments.

Justin Ash
Chief Executive Officer

Justin Ash was appointed chief executive officer and an executive director in October 2017

Current external appointments
- Member of the strategic council of Independent Healthcare Providers Network
- Chair of the trustees of Global Health Partnerships

Skills and previous experience

Justin was previously chief executive of Oasis Dental Care between 2008 and 2017 before leading its sale to Bupa. Prior to this, he was managing director of Lloyds Pharmacy and has held several other senior retail positions including general manager of KFC in the UK/Ireland, and commercial director of Allied Domecq Spirits and Wines (Europe). Justin was previously a senior consultant with Bain and Company in London and Paris, and a non-executive board member and chair of the audit and risk committee of Al Nadhi Medical Company. He was chair of the Independent Healthcare Providers Network until December 2020 and is a trustee of Fraxinus Trust and chair of the Freemasons Fund for Surgical Research.

Harbant Samra
Chief Financial Officer

Harbant Samra was appointed chief financial officer and an executive director in May 2024

Skills and previous experience

Harbant joined Spire Healthcare in October 2018 as group financial controller after a successful 20-year career in financial services. He was appointed interim chief financial officer in January 2022 while Spire's former chief financial officer was away from the business recovering from an accident, and then deputy chief financial officer in October 2022. Harbant chairs the company's sustainability committee and leads on ESG matters for the board.

Harbant started his career at Deloitte in 1996 as part of its graduate scheme and qualified as a chartered accountant (ICAEW) in 1999. He was promoted to director in Deloitte's Financial Services department in 2006 before leaving to join Lloyds Banking Group in 2011 as head of group financial reporting. While at Lloyds Banking Group, Harbant was promoted to finance director, group financial reporting in 2013 and during this time led on large scale transformation programmes and on its response to UK regulatory structural reform matters.

Debbie White
Senior Independent Director

Debbie White was appointed an independent non-executive director in February 2023 and became senior independent director in May 2023. Debbie chaired the audit and risk committee on an interim basis between September 2024 and March 2025

Current external appointments
- Non-executive director and chair designate of The Co-operative Group
- Director of PAVmed Inc (listed on the NASDAQ)
- Director of Lucid Diagnostics Inc (listed on the NASDAQ)
- Trustee and honorary treasurer for the charity Wellbeing of Women

Skills and previous experience

Debbie is an experienced CEO and independent director. Her last full-time executive role was as chief executive officer of Interserve Group which was preceded by a number of senior executive roles at Sodexo SA including global chief executive officer of Sodexo Healthcare and Sodexo Government, chief financial officer of the North American and UK&I businesses and chief executive officer of Sodexo UK&I. She was interim group HR director for BT Group plc during 2022, supporting the executive on the transformation of the group. Debbie was a non-executive director of Howden Joinery Group plc until December 2023.

Debbie started her career with Arthur Andersen and is a chartered accountant and chartered tax practitioner. She joined AstraZeneca where she held a variety of financial roles, before joining Sodexo. Debbie was a director of PWC consulting where she advised principally in the pharmaceutical sector.

Professor Dame Janet Husband
Vice Chair

Dame Janet Husband was appointed an independent non-executive director in June 2014 and was appointed vice chair on 1 March 2023. Dame Janet will step down from the board at the conclusion of the annual general meeting in May 2025

Current external appointments
- Emeritus Professor of Radiology at the Institute of Cancer Research

Skills and previous experience

Having trained in medicine at Guy's Hospital Medical School, Dame Janet's extensive career in healthcare allows her to bring invaluable insight and knowledge of the industry.

Dame Janet has previously served as a non-executive director and special adviser to the Royal Marsden NHS Foundation Trust, as a specially appointed commissioner to the Royal Hospital Chelsea and as chair of the National Cancer Research Institute. She was elected president of the Royal College of Radiologists in 2004 and also served as vice chair of the Academy of Medical Royal Colleges.

These appointments followed a long career as professor of radiology at the Institute of Cancer Research and Royal Marsden Hospital during which Dame Janet gained global recognition for her pioneering research in cancer imaging. Prior to retirement from clinical practice she was appointed medical director of the Royal Marsden NHS Foundation Trust where she worked closely with senior management to develop a programme of robust clinical governance and continuous improvement in the quality of patient services.

Board of directors continued

Key to board and executive committees

- A Audit and risk committee
- C Clinical governance and safety committee
- D Disclosure committee
- N Nomination committee
- R Remuneration committee
- E Executive committee
- S Safety, quality and risk committee

Committee chair

Paula Bobbett
Independent Non-Executive Director

Paula Bobbett was appointed an independent non-executive director in November 2022

Current external appointments
- Chief digital officer of Boots UK

Skills and previous experience
Paula specialises in business strategy and critical analysis, particularly in digital. She is highly experienced in online trading, commercial strategy and analytics, as well as in delivering digital transformation across commercial operations. Paula joined Boots in December 2020 and has driven the end-to-end development of boots.com leading to growth in online performance and positioning boots.com as the UK's number one health and beauty website.

Prior to joining Boots UK, Paula was head of online performance at Dixons Carphone. She has held senior analytics and customer insight roles at a variety of companies, including strategy and analytics manager at Avon, commercial insight manager at Debenhams, as well as roles at British Airways and Vanguard Strategy.

Natalie Ceeney CBE
Independent Non-Executive Director

Natalie Ceeney was appointed an independent non-executive director in May 2023

Current external appointments
- Chair of Cash Access UK Limited
- Non-executive director of Openreach Limited
- Non-executive director of Liverpool Financial Services Ltd (LV=)

Skills and previous experience
Natalie spent more than 20 years leading organisational and digital transformation, firstly as a McKinsey & Company consultant and then as an executive. She has worked across a range of sectors, both public and private, and has experience as a regulator as well as a CEO. Natalie has a focus on and deep interest in meeting the needs of customers, inclusion, and the transformational nature of technology.

Natalie's executive career included chief executive roles at HM Courts & Tribunals Service, the Financial Ombudsman Service, the National Archives and as a member of HSBC's UK executive team. She was a non-executive director of Ford Credit Europe and Anglian Water Services Limited until October 2023 and June 2024 respectfully. Natalie is a graduate of the University of Cambridge.

Jenny Kay
Independent Non-Executive Director

Jenny Kay was appointed an independent non-executive director in June 2019. She has been designated Spire Healthcare's non-executive director lead for safeguarding and the board's Freedom to Speak Up Guardian

Skills and previous experience
Jenny has extensive experience as a front-line registered nurse and subsequent experience in senior management and board roles across the NHS including as director of nursing at Dartford and Gravesham NHS Trust in Kent. She was a senior independent director at East London NHS Foundation Trust until the end of December 2020. Jenny also worked at the Department of Health in the chief nursing officer's team, leading on communications. Additionally, Jenny has experience as director of quality in a clinical commissioning group.

Jenny's clinical background is in children's nursing – she was a ward sister at King's College Hospital for many years, specialising in care for children with liver disease and children requiring intensive care. Jenny trained at St Thomas' (RGN) and Guy's Hospitals (RSCN).

Before commencing her nursing career, Jenny studied languages at Durham University and she also has an MBA from the Bristol Business School.

Professor Cliff Shearman
Independent Non-Executive Director

Professor Cliff Shearman was appointed an independent non-executive director in October 2020

Current external appointments
- Emeritus professor of vascular surgery, University of Southampton
- Deputy chair of University Hospitals Dorset NHS Foundation Trust

Skills and previous experience
Cliff was a consultant vascular surgeon for 26 years, initially in Birmingham and then in Southampton, and professor of vascular surgery at the University of Southampton. His research interests focus on factors that lead to diabetic vascular disease and how to improve clinical outcomes for people with diabetes.

Cliff was a clinical service director and associate medical director in the University Hospital Southampton. At a national level he was president of the Vascular Society of Great Britain and Ireland and was one of the team that separated vascular surgery from general surgery leading to a new speciality, centralisation of services and a new training programme for vascular surgeons. These changes have been associated with dramatic improvements in outcomes for patients. Cliff was a member of the council and a trustee of the Royal College of Surgeons of England, serving as vice president from 2018 until July 2021. He was awarded an OBE in 2021 for services to vascular surgery.

Dr Ronnie van der Merwe
Non-Executive Director

Dr Ronnie van der Merwe was appointed as a non-executive director in May 2018. The company does not consider Ronnie to be independent as he has been appointed to the board by the company's principal shareholder, Mediclinic Group Limited, under the terms of the relationship agreement with them

Current external appointments
- Group chief executive officer of Mediclinic Group Limited

Skills and previous experience
Ronnie has a strong track record of leadership and management within the healthcare industry, including strategy, organisational development, clinical performance, adoption of technology, and quality and data management.

As a specialist anaesthesiologist in private practice, Ronnie gained extensive experience in trauma and elective anaesthesia, intensive care management, and the management of acute and chronic pain. He subsequently expanded his expertise at medical insurance company Sanlam Health before joining Mediclinic in 1999. As chief clinical officer, he took responsibility for various aspects of the business, contributed greatly to the growth and strategic positioning of the group, and served as chair of the board of trustees of the in-house medical aid scheme, Remedi. He also served on the board of the premier private emergency medical care provider in South Africa, ER24, and as executive director of Mediclinic International Limited from 2010 up to the combination of the businesses of Mediclinic (then Al Noor Hospitals Group plc) and Mediclinic International Limited. He was appointed as group chief executive officer in 2018.

Executive committee

Mantraraj Budhdev
Group General Counsel, Company Secretary and Corporate Concerns Director

Mantraraj Budhdev joined Spire Healthcare in September 2022 as group general counsel and was appointed company secretary in May 2024. He has 16 years' global experience from a range of industries in both private practice and in-house roles. A large proportion of his experience was gained at two global law firms – Linklaters and Hogan Lovells – where he worked on compliance, regulatory and risk matters, while advising leading blue-chip and listed corporate clients, and completed secondments at investment banks including Goldman Sachs. Most recently, Mantraraj was responsible for leading a wide range of transactional, governance and regulatory matters as the group head of compliance and head of legal for Europe and the Americas region with a global port and logistics provider.

Mantraraj is responsible for leading a legal team of corporate, commercial, healthcare and litigation lawyers, Spire Healthcare's data protection and company secretarial teams, and he is also the group corporate concerns director.

Dr Cathy Cale
Group Medical Director

Dr Cathy Cale joined Spire Healthcare in October 2020, following a successful 30-year career in the NHS, which spanned clinical, research and leadership roles.

Cathy trained in paediatric immunology and immunopathology. She has extensive experience as a medical director, with roles at three NHS trusts, including Great Ormond Street Hospital for Children NHS Foundation Trust.

In 2017, she became a clinical ambassador for Getting it Right First Time (GIRFT), a national programme designed to improve medical care by tackling variations in the way services are delivered across the NHS, and by sharing best practice between trusts. At this time, she was also deputy medical director for NHS Improvement London region, combining this with ongoing clinical work. Cathy most recently worked as medical director at The Hillingdon Hospitals NHS Foundation Trust.

Cathy co-chairs the safety, quality and risk committee with Professor Lisa Grant.

Derrick Farrell
CEO, Vita Health Group

Derrick Farrell joined Spire Healthcare following its acquisition of Vita Health Group in December 2023. In addition to leading Vita Health Group, Derrick also has responsibility for Spire Healthcare's primary and occupational health functions.

Derrick is an accountant by profession and has held senior positions in the corporate health sector for the last 20 years. He held various executive positions, managing senior teams and cross function groups, most recently as a board director of Nuffield Health's Wellbeing business.

Peter Corfield
Chief Commercial Officer

Peter Corfield joined Spire Healthcare in October 2015 as group commercial director and has responsibility for delivering revenue growth through our payor groups and identifying new business opportunities. He was appointed chief commercial officer in January 2018 with additional responsibility for business development across the hospital portfolio.

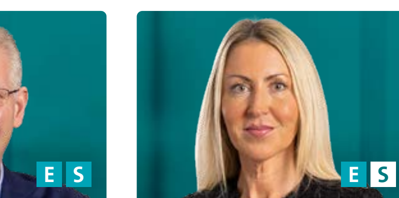
Prior to joining Spire Healthcare, he held a number of senior executive and board roles within the financial services industry in the UK, most recently as managing director of Ageas Retail Direct.

Prior to this, Peter worked for both Zurich Financial Services Group and Royal Bank of Scotland in various roles that covered Europe, the Middle East and Japan.

John Forrest
Chief Operating Officer

John Forrest joined Spire Healthcare in October 2018, after spending most of his career as a leading operator in the retail and hospitality industries.

John started his career at Marks & Spencer, before moving to the Body Shop and then the Co-operative Group. In 2007, John joined Whitbread as the head of new openings and led the roll out of Premier Inn, before being promoted to chief operating officer at Premier Inn in 2011. In 2015, John moved to Greene King as chief operating officer for their retail division to lead the operational integration of the recently acquired Spirit Pub Company. He became managing director for Greene King Pub Partners Business before leaving to join Spire Healthcare.



Professor Lisa Grant
Group Clinical Director and Chief Nurse

Professor Lisa Grant joined Spire Healthcare in March 2023, following a successful 25-year career in the NHS holding a number of leadership and management roles. Lisa is an experienced nurse and has held three executive chief nurse posts over the last 13 years and also held the role of chief operating officer in large acute NHS trusts. Lisa established the Royal Liverpool Nursing Programme and developed the Excellence in Practice Programme at Leeds Teaching Hospitals NHS Trust that focuses on the development and recognition of the workforce teams. She held a variety of management and leadership roles in the north of England and was awarded a visiting chair in health professions leadership from the University of Leeds in 2022. As of November 2024, Lisa is also visiting professor within the Faculty of Health Sciences and Wellbeing at the University of Sunderland.

Lisa co-chairs the safety, quality and risk committee with Dr Cathy Cale.

Rachel King
Group People Director

Rachel King joined Spire Healthcare in January 2023 as group people director, with responsibility for leading our people strategy across the group.

Prior to joining Spire Healthcare, Rachel was the group people director at Camelot, the regulated former operator of The National Lottery where she sat on the executive committee, leading the transformation of the people strategy and culture. Prior to her six years at Camelot, she held a number of senior executive roles in a wide range of organisations spanning the media, broadcasting, technology and retail sectors. In addition, Rachel was a member of the board of Network Homes, a London-based housing association, until October 2023.

Nomination committee report

“Our thorough recruitment process has identified two strong candidates to recommend to the board as new non-executive directors.”

Sir Ian Cheshire
Chair, Nomination Committee

At a glance

The majority of nomination committee members were independent non-executive directors at all times during the year in line with the provisions of the UK Corporate Governance Code 2018. The board appoints the chair of the committee, who must be either the chairman of the board or an independent non-executive director. If members are unable to attend a meeting they have the opportunity beforehand to discuss any agenda items with the chair of the committee.

The company secretary, or their appointed nominee, acts as secretary to the committee.

Committee meetings

4

Committee membership and attendance at meetings

The nomination committee members at the end of 2024 and the number of meetings they each attended during the year were as follows (the maximum number of meetings that the member was eligible to attend is also shown):

Member	Committee member since	Position in Company	Committee meetings attended/ held in 2024
Sir Ian Cheshire (Committee Chair)	May 2021	Non-executive chairman	4 (4)
Natalie Ceeney	May 2024	Independent non-executive director	4 (4)
Dame Janet Husband	July 2014	Vice chair	4 (4)
Dr Ronnie van der Merwe	May 2020	Non-executive director	4 (4)
Debbie White	May 2024	Senior independent director	4 (4)

Nomination committee members’ biographies are shown on pages 98 to 99.

Martin Angle, a former member of the committee, sadly passed away in September 2024.

The Nomination Committee’s terms of reference can be found at www.investors.spirehealthcare.com

Role and responsibilities

The nomination committee’s foremost priorities are to ensure that the group has the best possible leadership and to plan for both executive and non-executive director succession. Its prime focus is therefore on the composition of the board, for which appointments will be made on merit against objective criteria. The nomination committee advises the board on these appointments, oversees the recruitment processes, and also considers retirements and resignations from the board and its other committees. The nomination committee regularly examines succession planning based on the board’s balance of experience, overall diversity and the leadership skills required to deliver the company’s strategy.

Process for board appointments

While making new appointments to the board on merit, the board will actively seek to secure candidates with a diverse background. Appointments will take account of the specific skills and experience, resilience, independence and knowledge needed to ensure a rounded board and the diverse benefits each candidate can bring to its overall composition. Care is taken to ensure that proposed appointees have sufficient time to devote to the role and any conflicts of interest are identified and subsequently authorised by the board.

The nomination committee uses the services of an executive search firm to identify appropriate candidates, ensuring that the search firm appointed does not have any other conflicts with the group. In addition, the nomination committee will only use those firms that have adopted the Voluntary Code of Conduct addressing gender diversity and best practice in search assignments. A long list of potential appointees is reviewed, followed by the shortlisting of candidates for interview based upon the objective criteria identified in the specification. Committee members interview the shortlisted candidates together with other directors as appropriate, and identify a preferred candidate. Following these meetings, and subject to satisfactory references, the nomination committee makes a formal recommendation to the board on the appointment.

Dear shareholder,

I am pleased to present the nomination committee's report for the year ended 31 December 2024.

New appointments to the board

Following the unexpected and sad passing of Martin Angle, and planning in the event that Dame Janet Husband decided to step down from the board, the nomination committee commenced two separate recruitment exercises during the second half of 2024. Dame Janet confirmed her intention to step down from the board in March 2025 and she will not seek re-election at our annual general meeting in May. The aim of the recruitment processes was to identify two non-executive directors who could chair our audit and risk committee, and clinical governance and safety committee, and bring a new perspective to our boardroom. The process for each search, which culminated in a recommendation to the board to appoint two outstanding candidates in Jill Anderson and Sir David Sloman, is set out below.

In both appointments, the committee first agreed the appointment of an executive search firm to assist in the process. It determined, on these occasions, to engage The Inzito Partnership and Odgers Berndtson to assist with the search for the chair of the audit and risk committee and chair of the clinical governance and safety committee respectively. These appointments were based on their previous experience in delivering similar roles, and their knowledge and access to diverse candidates in the marketplace.

We met with the representatives of each appointed firm to discuss a detailed brief for the roles. The chair of the audit and risk committee required recent and relevant financial experience, ideally in a listed environment, and the chair of the clinical governance and safety committee needed a strong healthcare background, although it was determined that this did not need to be clinical experience. From this, each search firm proposed a short list of candidates who met with members of the committee and, where appropriate, executive management. Following this first stage assessment, a reduced list of candidates met with other members of the board. The candidates for the chair of the clinical governance and safety committee also met with our group clinical director and group medical director.

As chair of the nomination committee, I gathered and assessed the feedback from the assessment process, and recommended to the nomination committee a preferred candidate for each role. The nomination committee then reviewed the recommendation and agreed recommendations to the board.

Future succession planning and appointments to the board

All changes to the board and its committees are overseen by the nomination committee. Strong succession planning remains a key focus to help ensure that we continue to have an appropriate mix of skills, experience and backgrounds on the company's board and in its senior leadership team.

We recognise the requirements of the UK Corporate Governance Code 2018 (the 'Code') in our decision-making, while assessing the cultural and capabilities that will help the group deliver its strategic aims. We remain committed to making appointments on merit, based on objective criteria, but we set that against a clear strategy to promote diversity across the business.

We also consider the tenure of board members and potential future board retirements, and the impact of these on membership of the board and its committees.

The committee's remit includes an ongoing review of the structure, size and composition of the board and its committees to ensure we maintain the appropriate mix of knowledge, skills, experience, and diversity.

Independence and time commitments

Based on our assessment during 2024, the committee is satisfied that, throughout the year, all independent non-executive directors remained independent in character and judgement.

In recommending directors for election and re-election at the annual general meeting, the committee reviews the performance of each non-executive director and their ability to continue meeting the time commitments required, taking into consideration individual capabilities, skills and experiences and any potential conflicts of interest that have been disclosed. While some of our directors have other significant commitments outside of Spire Healthcare, these are considered to be appropriate and not to conflict with their responsibilities to the group.

Diversity and inclusion

Our board diversity policy and our wider equity, diversity and inclusion (EDI) strategy puts four commitments at the heart of our approach:

1. We recognise the value of diversity.
2. We understand how it will help us deliver our purpose.
3. We respect and appreciate each other for who we are.
4. We include diverse colleagues in our problem-solving to make better, faster decisions.

Diversity and inclusion is a major focus of activity across Spire Healthcare, and will continue to be in the years ahead. The board promotes diversity and inclusivity within the organisation, including supporting women to become leaders in the business and improving the diversity of the company's workforce. We believe that a diverse board includes and makes good use of differences in skills, experience, background, ethnicity, gender and other characteristics. Our aim was to achieve a minimum 33% female representation on the board by our AGM in May 2023 and 40% by 2025. We were delighted to have achieved our 2025 target, with a gender split on our board of 50% male and 50% female.

Spire Healthcare continues to employ a large majority of female colleagues and the company's gender pay gap compares favourably to other organisations. However, we recognise we can do more to achieve better gender representation at senior leadership levels. Details of the company's staff diversity and gender pay gap, in line with reporting requirements, can be found on page 48. The chart on page 97 also illustrates the diversity of the board in terms of gender.

I am pleased to confirm that the company complies with the Listing Rule changes brought about by the FCA's policy statement on diversity and inclusion on boards that at least 40% of the board should be women; at least one of the senior board positions (chair, chief executive officer, chief financial officer or senior independent director) should be a woman; and at least one member of the board should be from an ethnic minority background, excluding white ethnic groups.

Performance evaluation

In late 2024, the committee completed its annual performance evaluation, which was led by Debbie White (as the senior independent director) supported by the company secretary and an external specialist, BoardClic, who together created a comprehensive set of questionnaires based on best practice and regulatory guidelines for the board and each board committee. In reviewing the matters identified in BoardClic's report on the outcome of the review, the committee chair discussed and agreed to prepare an action plan for 2025 that took into consideration elements of the report on future board composition.

Re-election of directors

The committee met in early 2025 to review the continuation in office and potential reappointment of members of the board, as described earlier. Following this review, the committee recommended to the board that all directors standing be reappointed or have their appointments confirmed, and hence these directors will seek election or re-election at the annual general meeting in May.

Sir Ian Cheshire
Chair, Nomination Committee

5 March 2025

Clinical governance and safety committee report

"Quality underpins everything we do. The delivery of patient safety and high-quality patient care is central to our operations and embedded in our purpose and culture."

Professor Dame Janet Husband
Chair, Clinical Governance and Safety Committee

At a glance

The clinical governance and safety committee (CGSC) must have at least two members, both of whom must be independent non-executive directors. Other members of the CGSC may be independent non-executive directors, non-independent non-executive directors or executive directors. The board appoints the chair of the CGSC from any of its members. If members are unable to attend a meeting, they have the opportunity beforehand to discuss any agenda items with the chair of the committee.

The company secretary, or their appointed nominee, acts as secretary to the CGSC.

Committee meetings

4

Committee membership and attendance at meetings

The CGSC members at the end of 2024 and the number of meetings they each attended during the year were as follows (the maximum number of meetings they could have attended is also shown):

Member	Committee member since	Position in Company	Committee meetings attended/ held in 2024
Dame Janet Husband (Committee Chair)	July 2014	Vice chair	4 (4)
Justin Ash	October 2017	Chief executive officer	4 (4)
Jenny Kay	June 2019	Independent non-executive director	4 (4)
Professor Cliff Shearman	January 2021	Independent non-executive director	4 (4)

CGSC members' biographies are shown on pages 98 to 99.

The CGSC's terms of reference can be found at www.investors.spirehealthcare.com

Role and responsibilities

The CGSC sits above the group's clinical governance systems and is charged by the board with ensuring effective systems and processes are in place to review clinical performance, including the management of complaints, safeguarding concerns, whistleblowing and freedom to speak up issues.

The responsibilities of the CGSC include:

- Promoting a culture of high-quality and safe patient care and experience
- Reviewing the group medical director's report
- Reviewing the group clinical director's clinical governance and safety reports
- Monitoring patient health and safety matters
- Reviewing governance matters that impact patient safety
- Reviewing the clinical matters on the whistleblowing register
- Promoting continuous clinical improvements
- Holding the executive committee accountable for following up actions

Dear shareholder,

I am pleased to present the clinical governance and safety committee's report for the year ended 31 December 2024.

Our role is the robust assurance of governance of clinical quality at Spire Healthcare. Quality underpins everything we do and is a core pillar of our strategy, with the delivery of patient safety and high-quality patient care central to our operations and embedded in our purpose and culture.

Our Quality Improvement (QI) programme reflects our continuous improvement approach to safety and quality. We have linked it to the implementation of the Patient Safety Incident Response Framework (PSIRF) to encourage faster and more embedded learning across the group. Spire's agreed QI priorities for 2024 included reducing incidents, and improving recognition and care of, venous thromboembolism (VTE). All hospitals now have a VTE lead and have VTE quarterly committee meetings. The committee agrees that avoidable VTEs would be an important step forward in understanding issues and whether hospitals could have taken any additional action. Read more about our QI priorities and PSIRF on page 25 and page 26.

Our new clinical effectiveness and outcomes framework sits alongside a range of toolkits designed to support hospitals and I believe they will help us to drive clinical improvement and provide benchmarking.

Meetings and seminars in 2024

Our four regular meetings over the year cover oversight of Spire Healthcare's clinical governance, as well as medical professional standards, clinical risk and the clinical aspects of health and safety. We take a strategic and balanced approach to the material and data presented to us, and in our meeting discussions.

We were pleased to continue welcoming non-clinical board members to our meetings as observers. This gives important exposure to how the committee is managing clinical governance. We also welcomed a range of colleagues and external visitors to present data and feedback, which helps to widen the board's understanding of the core clinical and safety issues and challenges that we face.

Over 2024, PSIRF has been implemented across all Spire hospitals. The committee has heard at meetings how sites such as Spire Southampton and Bristol are embedding PSIRF and its positive effects on colleague learning, consultant engagement and engagement on incident reviews. I am impressed and encouraged by how Spire has embraced PSIRF across all three nations in which we operate and for every patient, beyond our obligations to NHS patients in England.

It has had wider impacts, with senior leadership teams and practising consultants more involved in governance at each hospital, as well as improved relationships between our central clinical team and the directors of clinical services at each hospital. I am extremely grateful to Dr Cathy Cale, Group Medical Director, for spearheading the PSIRF programme throughout our hospitals business, and for her wider support over 2024.

At our June meeting, we heard from Professor Lisa Grant, Group Clinical Director and Chief Nurse, who has spearheaded Spire's nursing and allied health professionals strategy. I am confident that this strategy will help to develop the clinical workforce, deliver outstanding patient care and excellence, and enhance professional pride. I would like to take this opportunity to thank Lisa for her outstanding work in driving excellence at Spire, as well as her important support and guidance this year.

Developing clinical excellence in all our services is central to Spire's ongoing success. In September, Phil Adkins, Director of Clinical Services, Vita Health Group, presented its quality and safety report to the committee for the first time and explained how Spire's mental health, musculoskeletal and occupational health services are helping to address the causes of sickness absence from work and mortality rates in the UK.

As part of our seminar series, the committee welcomed a visit from Professor Dame Carol Black in 2024, a leading physician and academic whose prestigious career roles have included presidency of the Royal College of Physicians and adviser to the government on the relationship between work and health, including leading its new occupational health taskforce. She spoke to the committee about health and productivity in the workplace, the data trends and common themes and actions to improve wellbeing of workers. This is relevant to the committee's oversight of Spire's expanding primary care services.

Committee engagement

Over the past year, the clinical NEDs of the committee visited 17 hospital sites, including Spire Southampton, Norwich, St Anthony's in Cheam, Clare Park in Farnham, and Wellesley in Southend. These visits are an extremely important part of our role and also serve to motivate and support local teams to continue providing excellent patient care. We also attended Spire's capital markets day, the MAC Chair bi-annual meeting and other relevant meetings across the business. We were particularly pleased to attend the Driving Clinical Excellence in Practice awards ceremony to recognise colleagues' achievements. Read more on this programme on pages 28 and 45.

Maintaining our high quality standards

In 2024, 98% of our inspected hospitals and clinics are rated 'Good' or 'Outstanding' or the equivalent by regulators in England, Scotland and Wales. We are still awaiting reinspection of Spire Alexandra in Kent, which has not been inspected since 2016/17. All inspected VHG locations are currently rated 100% 'good' by CQC. Our 2024 patient survey showed 97% of our patients rated their experience as 'very good' or 'good', while 95% of patients said they felt 'cared for' or 'looked after' in our hospitals

Detailed key performance indicators report trends and flag any statistical alerts to ensure we focus on the most pertinent areas of clinical governance for our hospitals. These are scrutinised in-depth by the committee. Subjects include incidents of VTE, infection control, patient safety initiatives and mortality. Our newly established safety, quality and risk (SQR) operational group will allow a more strategic approach to SQR under revised terms of reference. The committee also welcomed the introduction of excellence in care safety dashboards, which allow us to oversee safety and quality, and improve how we benchmark hospitals.

We had no changes to our committee structure over the year, but we were shocked and saddened by the unexpected death of Martin Angle in 2024 and will miss his valuable contributions and perspectives as a non-clinical member of the committee. As a supporter of the clinical agenda, he played a vital role in bridging the gap between clinical and business issues.

I would like to recognise and thank all colleagues for what we have achieved and where we are today. After 11 years of chairing the CGSC, I will be stepping down in May. In my time here, I have seen huge change and am so grateful to have been part of Spire's evolving programme of continual quality improvement in pursuit of excellence. I wish Sir David Sloman all the very best in taking forward the vital role of clinical oversight at Spire Healthcare.

Professor Dame Janet Husband DBE FMedSci, FRCP, FRCR
Chair, Clinical Governance and Safety Committee

5 March 2005

Audit and risk committee report

"In 2024, the committee focused on the implementation of digital change programmes, monitoring the organisation's readiness for the UK corporate governance reforms, and cyber security."

Debbie White
Interim Chair, Audit and Risk Committee

Composition

The audit and risk committee must have at least three members, all of whom must be independent non-executive directors. If members are unable to attend a meeting, they have the opportunity beforehand to discuss any agenda items with the chair of the committee.

The audit and risk committee invites the external auditor, the chief executive officer, chief financial officer, general counsel and the director of audit, risk, and compliance to attend each meeting, with other members of the management team attending as and when invited. The group's external auditors have regular private sessions with the audit and risk committee and with the chair prior to each meeting.

The company secretary, or their appointed nominee, acts as secretary to the committee.

Role and responsibilities

The audit and risk committee has responsibility for overseeing the financial reporting and internal financial controls of the group, for reviewing the group's internal control and risk management systems, and for maintaining an appropriate relationship with the external auditor of the group, and for reporting its findings and recommendations to the board.

These include:

- Receiving and reviewing the annual report and accounts of the group and half yearly financial statements, and any public financial announcements as required, and advising the board on whether the annual report and accounts is fair, balanced and understandable
- Receiving and reviewing reports from the external auditor, monitoring its effectiveness and independence, and approving its appointment and terms of engagement
- Agreeing the annual internal audit programme, including the use of external consultants to support the internal resource
- Monitoring the effectiveness of the risk management system
- Reviewing the effectiveness of the group's system of internal controls and assessing and advising the board on the internal financial, operational and compliance controls
- Overseeing the group's procedures for detecting fraud and whistleblowing

Committee meetings

5

Committee membership and attendance at meetings

The Audit and Risk Committee members at the end of 2024 and the number of meetings they each attended during the year were as follows (the maximum number of meetings that the member was eligible to attend is also shown):

Member	Committee member since	Position in Company	Committee meetings attended/held in 2024
Debbie White	May 2023	Senior independent director	5 (5)
Natalie Ceeney	May 2023	Independent non-executive director	5 (5)
Dame Janet Husband	July 2014	Vice chair	5 (5)

Martin Angle, former chair of the committee passed away in September 2024. Debbie White stepped in as the interim chair.

Audit and risk committee members' biographies are shown on pages 98 and 99.

The audit and risk committee's terms of reference can be found at www.investors.spirehealthcare.com.

Dear shareholder,

As interim chair of the audit and risk committee (the 'committee'), I am pleased to present our report for the year ended 31 December 2024.

It was with deep sadness that we learned of the passing of our dear friend and colleague, Martin Angle, in September 2024. Martin became the chair of this committee in May 2023 and was a highly respected, valued and trusted member of this committee and our board. He was a personal friend to all of us on the committee and many others at Spire Healthcare. We have sorely missed his advice, insights and leadership.

Following a considered search process, Jill Anderson will join Spire as a non executive director in March and take over as chair of the committee after the AGM in May 2025. Jill, has a strong financial background, principally as a divisional chief financial officer at GSK plc. More information on the recruitment process can be found in the nomination committee report on page 102.

Risk management and internal controls

Risk management continues to be an area of focus and scrutiny for the committee at each meeting, with papers presented and discussed in detail to understand key issues raised and identify emerging and significant risks to the business and the plans to mitigate them.

Internal audit function

The committee receives an update report from the director of audit, risk and compliance on internal audit activity four times a year, with two of the committee meetings reserved for deep dives into specific risk or internal control matters. In each update, the committee receives the executive summary of recently published internal audit reports, and the chair receives the full internal audit report. The committee also receives a status update of any remedial actions agreed with management. If there are significant findings, the committee asks the appropriate senior management to attend to discuss the findings.

The director of audit, risk and compliance, under international internal audit standards, has to declare to the committee any potential compromises on his independence. This may include other 'control' functions for which he has line management responsibility. The committee has to approve any activity that falls outside of internal audit. As in prior years, in 2024, the director of audit, risk and compliance had the risk management function reporting into him, with the approval by the committee. On an annual basis the committee reviews the internal audit charter that is based on the Institute of Internal Audit's template charter. The committee also reviewed the compliance by the director of internal audit, risk and compliance with the internal audit code of conduct.

The committee requires KPMG, as the co-source provider of internal audit services, to maintain independence. In 2023, in the best interests of the company, and after full consideration by the committee of any impact on the independence of internal audit services, the committee approved that KPMG provided some additional services to the group, relating to support with the design of its digital strategy. In 2024, the committee agreed, after further careful consideration of the best interests of the company, to an extension of those services.

KPMG stepped down as our internal audit service provider after completing the 2024 internal audit plan (which did not directly conflict with any of the services it provided). The committee ran a tender for internal audit services and RSM was successful in winning the tender and will provide internal audit services from 2025 under a three-year contract.

The 2025 internal audit plan was approved at the November 2024 committee meeting. The plan is prepared on a risk-focused basis with input from the senior leadership team and non-executive directors. For 2025, the plan will focus on some of our larger hospitals, core areas of financial control, clinical governance and cyber security.

Risk management function

The risk management and internal control report details the changes to the risk environment the group has faced in 2024 (see pages 65 to 76).

To provide visibility of risks from 'ward-to-board', the risk management team provides quarterly reports to:

- The executive committee and the audit and risk committee on principal risks
- The safety, quality and risk committee, and clinical governance and safety committee on clinical quality risks

On a monthly basis, the operations committee reviews hospital level risks.

The committee reviews the risk appetite in relation to the principal risks providing challenge where appropriate on the level of risk the executive wishes to tolerate.

Emerging risks
During 2024, the committee maintained its focus on the risks, and potential mitigations, that may emerge from the rapidly changing geopolitical and economic environment. The principal risks and emerging risks are discussed in more detail in the risk management and internal control report on pages 65 to 76.

New financial and internal control reporting requirements
The Financial Reporting Council (FRC) published the revised Corporate Governance Code (2024 Code) in January 2024. The committee monitored developments in the regulatory environment and received reports from management on their readiness to comply with new requirements from 1 January 2026.

The committee received a briefing on the two sustainability financial reporting standards issued by the International Sustainability Standards Board (ISSB) in 2023. We await the announcement from the UK government regarding adoption of the standards in the UK.

Task Force on Climate-related Financial Disclosures (TCFD)
In February 2025, the committee reviewed the TCFD disclosures on pages 77 to 82 and reviewed the process for the preparation of the disclosures in compliance with Listing Rule (UKLR 9.8.6(8)).

Viability
The committee reviewed the process undertaken by management to support and allow the directors to make the group's viability statement. The committee considered and provided input into the determination which of the group's principal risks and combinations thereof might have an impact on the group's liquidity and solvency. The committee reviewed the results of management's scenario modelling and the stress testing of these models. The group's viability statement can be found on page 83.

External audit
Annual auditor appointment
The committee has primary responsibility for the relationship with, and performance of, our external auditor. This includes making the recommendation on the appointment, reappointment and removal of the external auditor, assessing their independence on an ongoing basis, and for negotiating the audit fee in conjunction with the chief financial officer.

The shareholders re-appointed Ernst & Young LLP as the company's external auditor during 2024. Ernst & Young LLP has served the business since 2008. Whilst recognising that the 10-year period of its appointment technically began with the company's admission on the London Stock Exchange in 2014, the committee agreed that a full audit tender should be linked to the end of the previous lead audit partner's term of office in 2020, which is when the last full audit tender occurred. Our current audit partner from Ernst & Young LLP is Stephney Dallmann who took on the role in 2020.

The committee ensures that the external auditor adheres to The Auditing Practices Board's Ethical Standard 3, which requires the rotation of the audit partner for listed companies every five years. As a result the committee noted that this is the fifth and last fiscal year for Stephney Dallmann to serve as the audit partner. Kate Allen will take over as audit partner for the 2025 financial year, and will shadow Stephney for the year end 2024.

External auditor independence and effectiveness
The committee reviewed the independence and effectiveness of the external auditor. We did this by:

- Reviewing its proposed plan for the 2024 audit
- Discussing the results of its audit, including its views about material accounting issues and key judgements and estimates, and its audit report
- Reviewing the quality of the people and service provided by Ernst & Young LLP
- Evaluating all of the relationships between the external auditor and the group, to determine whether these impair, or appear to impair, the auditor's independence

Significant issues and material judgements
The audit and risk committee assesses whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements.

The committee reviewed the nature of all items classified as 'adjusting items' in the year and management's justification thereof against relevant accounting guidance. Where costs spanned a reporting period, the committee considered the significance of the total expected costs to be incurred across reporting periods (based on management's estimates), when determining the appropriateness of the accounting treatment.

Other activities in 2024
Prior to the release of the company's 2024 interim results, the committee completed a thorough review of:

- Viability and going concern
- Assessment of goodwill for impairment
- Assessment of property carrying values for impairment
- Assessment of provisions for future liabilities

The committee also reviewed the company's banking covenant compliance.

In addition to providing oversight of the group's financial reporting, internal controls and risk framework, the committee has had reports on information governance from management and external advisors, preparations and planning undertaken in response to the UK Corporate Governance Code update on risk management and internal controls, and counter-fraud initiatives.

The table below summarises the matters where the most material judgements have been made in relation to reporting in 2024:

Matters	Judgement and estimation required	How the committee gained comfort on the matter
Improper revenue recognition	Pressure to achieve results could lead management to manipulate the financial reporting of revenue. This could include the: – Manipulation of prices charged – Miscoding of procedures by hospitals impacting revenue recorded – Misreporting of other income in the year – Overstatement of accrued revenue at the year end	The committee has reviewed detailed reports on the underlying controls that operate over the accuracy of the NHS billings process and the assurance reviews undertaken over that process. Additionally, the committee has received reports from KPMG in the conduct of their internal audit plan which has covered billing controls at hospitals. Central management carry out a detailed review of monthly hospital performance compared to forecast, focusing on the cut-off of revenue reported at the balance sheet date. The group maintains effective segregation of duties to safeguard the integrity of pricing Master file data on which billing is dependent. Management routinely reconciles revenues and cash collections as part of monthly cash flow management procedures. This includes accrued revenue, which is substantiated with reference to subsequent billings and cash collection.
Goodwill carrying value	Goodwill for cash generating units as assessed by management is tested for impairment annually or when there is an indicator of impairment. The assessment the cash generating units is assessed in line with the relevant accounting principles. The impairment assessment is achieved by comparing the value-in-use of the cash generating unit with its carrying value in the accounts. The value-in-use calculations require the group to estimate future cash flows, considering market conditions, and the present value of these cash flows is determined using an appropriate discount rate. The current value of goodwill is underpinned by these forecasts.	The committee has reviewed in detail the analysis produced by management to assess the carrying value of goodwill as well as the assessment of cash generating units. Its review included assessing for reasonableness the key underlying assumptions used by management in their analysis. These included the discount factor rate, future anticipated growth rates and forecasted levels of capital maintenance investment (excluding expenditure on new or enhancement of assets). The committee noted the discount factor used by management has been reviewed as part of the external audit and falls within the appropriate range given Spire's size and cost of capital. The committee has reviewed management's latest assessments in August 2024 and in February 2025. This regular recurring review process has allowed for earlier visibility of the key assumptions and any potential issues.
Property carrying values	Freehold and leasehold property is held at depreciated cost and its carrying value is required to be assessed for indicators of impairment by management on an annual basis. For those properties with an indicator, an impairment test is performed by calculating a value-in-use, by means of a discounted cash flow model. As this process involves some degree of estimation there is a risk that properties are held in the financial statements at inappropriate carrying values.	The committee reviewed the analysis prepared by management to assess the carrying value of those properties with an indicator of potential impairment, including the appropriateness of the key underlying assumptions. These included future anticipated growth rates, the discount factor rate, and levels of ongoing capital maintenance investment (excluding expenditure on new or enhancement of assets). This work was conducted in two phases. An initial review was performed in August 2024 This initial review was performed to provide early visibility of any potential issues and to allow for a preliminary assessment of the reasonableness of the key judgements applied by management. These judgements included: – The terminal growth rate – The discount factor rate – Appropriateness of the determination of a Cash Generating Unit – Forecasts in ongoing capital maintenance – Growth rates applied at an individual hospital level over the next five years Management's review was updated at the year-end using the latest available forecasts. A shortlist of hospitals was identified from this activity and reviewed in detail by the committee to ensure that management's conclusions were appropriate. This included, where appropriate, establishing the level of confidence management has in its ability to deliver the plan underlying the forecast. The committee noted that the work carried out by the external auditors, Ernst & Young LLP, supported its own findings in this area.

Matters	Judgement and estimation required	How the committee gained comfort on the matter
Provision for Paterson claim settlements	Following the publication of the public inquiry report on Ian Paterson on 4 February 2020, the group continues to assess the potential impact of the remedial actions recommended in the report. Since 2020, the group recognised a charge of £28.7 million to ensure the recommended actions are fully adhered to. It is possible that, as further information becomes available, an adjustment to the provision held for claim settlements may be required.	Per IAS37 (provisions, contingent liabilities and contingent assets), any provision associated with this matter must represent management's best estimate of the expenditure required to settle that obligation. It is accepted that management's estimate will involve a degree of judgement as it is based upon the information available at the balance sheet date, and that additional or different information may emerge in the future. The committee reviewed management's estimate and underlying data and assumptions in detail at the time of preparing the 2024 half year results. This exercise included review of key inputs, claim rates and a sensitivity analysis. The on-going appropriateness of the key assumptions was reviewed by the committee as part of the year end process, this was done with reference to actual claims experience since the half year. This review confirmed that management's key judgments and basis for calculating the provision was reasonable and aligned with accounting standards.
Adjustments to EBITDA (Adjusting Items)	It is the group's policy to disclose EBITDA after adjusting for certain items, due to their nature, amount or incidence, in order to provide a meaningful comparison of the group's underlying performance. Group underlying performance is considered the comparable year-on-year business, and therefore excludes items of a one-off or irregular nature. Pressure to achieve targets could lead management to manipulate the outcome by overstating the level of adjusting Items.	The committee: – Reviewed in detail each item which was proposed by management to be classified as an adjusting Item – Assessed whether the proposed approach was consistent with prior periods

UK Competition and Markets Authority (CMA) Order

During the year, the company complied with the CMA Order in relation to Statutory Audit Services for Large Companies.

Audit risk

The committee received from Ernst & Young LLP a detailed plan identifying the scope of their audit for the year, planning materiality and their assessment of key risks. The audit risk identification process is considered a key factor in the overall effectiveness of the external audit process. Ahead of the full-year audit, the committee reviewed the key risks that Ernst & Young LLP identified to ensure their areas of audit focus remain appropriate.

Working relationship with the external auditor

During the year, the committee met with the external auditor without management present to provide additional opportunity for open dialogue and feedback between both parties. Matters typically discussed include the external auditor's assessment of business risks, the transparency and openness of interactions with management, confirmation that there has been no restriction in scope placed on the auditor by management, the independence of their audit and how they have exercised professional scepticism. I also meet with the external lead audit partner ahead of each committee meeting. Additionally, the director of audit, risk and compliance liaises with, and meets, the external auditors on a regular basis, and the external auditors receive a copy of each internal audit report.

Non-audit services and independence

Ernst & Young LLP provided non-audit services to the group during the year ended 31 December 2024. These services related only to the interim review. Total non-audit service fees amounted to £0.1 million (2023: £0.1 million), less than 50% of the audit fees. All non-audit fees are approved by the committee.

Ernst & Young LLP confirmed to the committee its independence, taking into account any threats to independence including fees from non-audit services.

Clinical governance and safety committee (CGSC)

To ensure that the committee and the CGSC complement each other's work, Dame Janet Husband and I have followed these important protocols:

- At each meeting this committee receives a report from Dame Janet Husband focused on risk and material control matters discussed at the CGSC
- We split the focus of risk management with the CGSC focusing on the clinical risk management at corporate and hospital level and this committee on the principal risks, and non-clinical operational risks, of the group

Data strategy, governance and security committee (DSGS)

In 2023, the executive committee set up the new DSGS committee to improve the governance and oversight of data management in a rapidly evolving environment of new technologies and cyber-security risks. The chair of the DSGS committee, the general counsel, has a reporting line into this committee and provides a report at each meeting.

Our priorities for 2025

The committee's focus in 2025 will remain largely consistent with 2024 ie:

- Implementation of digital change programmes
- Monitoring the organisation's readiness for the UK Corporate Governance Reforms
- Cyber security
- Implementation of sustainability financial reporting standards (assuming the UK government announces a firm timetable for their adoption during 2025)
- Induction of the new chair of the committee

Annual evaluation of the committee's performance

The latest evaluation of the committee's performance was carried out in late 2024 and this confirmed that it continued to perform effectively.

Debbie White
Interim Chair, Audit and Risk Committee

5 March 2025

Remuneration committee report

Spire Healthcare's patient-centric and people-focused culture is what attracts and retains our colleagues."

Natalie Ceeney
Chair, Remuneration Committee

At a glance

The remuneration committee must have at least three members, all of whom must be independent non-executive directors, and the board appoints the remuneration committee's chair. If a member is unable to attend a meeting, they have the opportunity beforehand to discuss any agenda items with the chair of the committee.

The company secretary, or their appointed nominee, acts as secretary to the remuneration committee.

Committee meetings

8

Committee membership and attendance at meetings

The remuneration committee members at the end of 2024 and the number of meetings they each attended during the year were as follows (the maximum number of meetings that the member was eligible to attend is also shown):

Member	Committee member since	Position in Company	Committee meetings attended/held in 2024
Natalie Ceeney (Committee chair)	May 2023	Independent non-executive director	8/8
Paula Bobbett	February 2024	Independent non-executive director	5/6
Jenny Kay	June 2020	Independent non-executive director	7/8

Remuneration committee members' biographies are shown on pages 98 and 99.

Martin Angle served as a member of the remuneration committee until September 2024.

Where a director was unable to attend a meeting they reviewed all papers and were able to input feedback through the chair.

The remuneration committee's terms of reference can be found at www.investors.spirehealthcare.com

Role and responsibilities

The remuneration committee has authority from the board to determine the framework and total remuneration arrangements of the executive directors and, in consultation with the chief executive officer, senior management. It also oversees the group's share-based incentive arrangements. In practice, the committee agrees:

- Policy for cash remuneration, executive share plans, service contracts and termination arrangements
- Reward packages of the chairman, executive directors and the executive committee, including arrangements on appointment
- Termination arrangements for executive directors and the executive committee members
- Recommendations to the board concerning any new executive share plans or changes to existing schemes which require shareholders' approval
- Basis on which awards are granted and their amount to executive directors and senior management under the Long Term Incentive Plan (LTIP)

The remuneration committee also ensures consistency of remuneration arrangements across all levels within Spire Healthcare. It also has responsibility for matters identified by the UK Corporate Governance Code relating to workforce engagement.

Dear shareholder,

I am pleased to present to you the directors' remuneration report for the year ended 31 December 2024.

Our renewed directors' remuneration policy was approved by 98.64% of shareholders at the AGM in May 2024 and I would like to thank shareholders for their engagement and support. I am confident that this policy continues to support the delivery of our strategic priorities and provides alignment with our culture and purpose. This letter provides further detail of the work of the committee and decisions taken in respect of 2024.

We welcomed Paula Bobbett who became a member of the committee in February 2024. We were saddened by the unexpected death of Martin Angle and will miss his valuable contributions and perspectives as a member of the committee.

Performance in 2024

Spire Healthcare delivered financial performance in-line with guidance for 2024 with revenue growth of 11.2%, 6.2% on a comparable basis, and adjusted EBITDA of £260.0 million which is 11.1% up on 2023, 9% on a comparable basis. Our focus on enhancing margins has enabled us to deliver an increase in hospitals adjusted EBITDA margin, from 17.6% in 2023 to 18% in 2024. This is underpinned by the success of our savings and efficiency programmes, which generated more than £20 million.

Market fundamentals remain strong, with excellent performance from our NHS revenue, up 7.7%, 8.8% on a comparable basis and private revenue up 3.7%, 4.3% on a comparable basis. Our strategy is delivering, we are successfully managing both margin and growth through acuity mix, price, optimal capacity utilisation and delivery of cost savings. We have also reached record levels of permanent hospital staff and retention.

Primary care services have shown strong growth, primarily driven through Vita Health Group performing ahead of plan. We also opened three standalone clinics which are focused on outpatients, diagnostics and minor treatments, and drive referrals to nearby hospitals. We are pleased to play a role in the new NHS and independent sector partnership and continue in our strategic partnership with the NHS.

Maintaining strong quality and safety credentials remain core to our activities and our focus on continuous improvement has resulted in 98% of our inspected locations rated 'Good', 'Outstanding' or the equivalent by health inspectors in England, Scotland and Wales.

Wider workforce pay

The committee has continued to monitor the impact of economic pressures on colleagues and fully supported the management proposal to make significant investment in salary increases through an increase to our minimum rates of pay, the annual salary review and implementation of our reward framework in all our hospitals. As a result of these investments, we are benefiting from increasing retention and fewer vacancies.

The majority of our permanent colleagues received a 2.75% salary increase with additional investment made to our minimum rates of pay. We launched our reward framework for our permanent colleagues in all our hospitals and a few other business areas in December 2024. The framework provides a consistent view of our roles with improved competitiveness, particularly for key roles where we have difficulty attracting and retaining talent.

The committee has received regular updates and held deep dive sessions on the reward framework, which has been developed with extensive engagement and input from the business. The reward framework is an important step in our commitment to invest in and support our people and provide structure and clarity for our roles.

2024 salary and incentive outcomes

In line with the majority of the workforce, the annual salary review of 2.75% was applied to the chief executive officer in September 2024. There was no increase applied to the new or former chief financial officer during 2024.

The bonus is linked to adjusted EBITDA, free cash flow and individual strategic objectives. The financial and operating performance in the year resulted in bonuses being earned in respect of 2024 with a solid performance against stretching targets. The committee also evaluated the performance of the executive directors against a number of individual strategic objectives. This resulted in an overall bonus outcome for Justin Ash of 36.1% of maximum. Notwithstanding the significant increase in EBITDA year-on-year, the bonus outcome is lower than last year, reflecting the highly stretching nature of the targets set at the start of the year.

The 2022 LTIP awards were based on total shareholder return (TSR), financial and operational excellence performance measured to 31 December 2024. During the performance period, the company delivered growth in shareholder value which was between median and upper quartile against the FTSE 250 (excluding investment trusts) comparator group over the equivalent period. Return on capital employed exceeded the target with the outcome of this element at 8.2%. For operational excellence, the regulatory rating objective was met in full and the outcome for engagement was within the target range.

The overall vesting outcome for this award was 60.8% of maximum. Vested awards for executive directors at the time of award will be subject to a further two-year holding period.

The committee reviewed the incentive outcomes against wider company and individual performance, the shareholder experience and the wider stakeholder experience. The committee determined that the outcomes are fair and appropriate in this context.

Chief financial officer transition

As set out in the 2023 directors' remuneration report, Harbant Samra was appointed as chief financial officer at the May 2024 AGM, at which point Jitesh Sodha stepped down from the board. Details of the remuneration arrangements were set out in full in the 2023 directors' remuneration report.

Remuneration for 2025

Salary increases normally take effect from September. Any increase to salaries for the chief executive officer will take into account the average increase awarded to the wider workforce. As set out in the 2023 directors' remuneration report, Harbant's base salary on appointment was set at £380,000, which was below the salary of his predecessor (£432,600). In line with best practice, the committee intended to keep Harbant's base salary under review to reflect his experience and development in role. Taking into account his strong performance, leadership and development in the role since appointment, Harbant's salary will be increased to £405,000 with effect from 1 May 2025, being one year since his appointment to the role. It is currently expected that Harbant will not be eligible for a salary increase in September.

Incentives are based on financial, operational and strategic elements. The maximum bonus opportunity for executive directors remains unchanged at 150% of salary. During the year, the committee reviewed the bonus structure across the group to ensure that it is fit-for-purpose and appropriately rewards employees for group performance. Following this review, there will be a simplification of the structure for 2025, with a greater focus on group EBITDA performance for all bonus participants. For executive directors, the total bonus outcome will be linked to the achievement of adjusted group EBITDA with up to 30% of the final bonus outcome assessed against strategic objectives.

For LTIP grants to executive directors, it is expected that awards equivalent to 200% of salary will be granted, in line with last year. The committee considered removing relative TSR from the LTIP for 2025 given the lack of direct, relevant, listed peers and the concentrated nature of our shareholder base. There are a range of views amongst our larger investors on this metric; therefore, on balance, the metric has been retained for 2025 with a weighting of 20%. The committee will keep this under review for grants in future years. We expect EBIT margin to be more prominent and relevant than EBITDA margin by the end of the performance period in 2027, as outlined at the Capital Markets Day in April 2024. Accordingly, hospital business margin will be assessed based on EBIT with a weighting of 15%. The operational excellence measures, with a combined weighting of 30%, continue to be an important focus. The ROCE measure is unchanged with a weighting of 35%.

If you have any questions about this directors' remuneration report, please contact me via companysecretary@spirehealthcare.com.

Natalie Ceeney
Chair, Remuneration Committee

5 March 2025

Remuneration principles – how our approach to pay reflects the principles of the UK Corporate Governance Code

Clarity	Incentive arrangements are intended to be closely aligned to our strategy to effectively engage with participants. The remuneration committee regularly engages with wider stakeholders including shareholders and seeks to provide clear disclosure and explanation of our pay arrangements.
Simplicity	Our remuneration policies are straightforward and easy to understand.
Risk	Our variable incentive schemes contain an appropriate balance of financial and non-financial measures so that risk is effectively managed and mitigated. Discretion, malus and clawback help to prevent payments for failure.
Predictability	Potential values from remuneration arrangements are clearly communicated.
Proportionality	Incentives incorporate performance measures that are linked to the strategic goals of the business. Variable pay is intended to reward for successful execution of the strategy over the short and longer term. The remuneration committee is also mindful of the outcomes of variable incentives for the wider workforce.
Alignment to culture	Targets for variable incentives are intended to be based on a balance of measures to provide a rounded assessment of performance. We are conscious of our impact on wider stakeholders and how that ultimately impacts the value we create for shareholders.

Remuneration committee report continued

Remuneration policy table

At a glance: summary of remuneration policy and approach for 2025. The table below summarises how key elements of the remuneration policy will be implemented in 2025. The full remuneration policy can be found on our website in the 2023 Annual Report.

Element	Justin Ash Chief Executive Officer	Harbant Samra Chief Financial Officer
Base salary as at 1 May 2025	£660,633	£405,000
Pension	8% (in line with majority of employees)	8% (in line with majority of employees)
2025 annual bonus opportunity	Maximum: 150%	Maximum: 150%
2025 annual bonus measures	– For 2025, the total bonus outcome will be linked to the achievement of adjusted group EBITDA, with up to 30% of final bonus outcome assessed on objectives – Full disclosure of performance measures and weightings will be disclosed retrospectively	
2025 annual Bonus deferral	– One third of bonus will be deferred into shares for three years as the CEO has met his shareholding guidelines	– One third of bonus for the CFO will be deferred into shares for three years
2025 LTIP award levels	Maximum: 200%	Maximum: 200%

Element

2025 LTIP measures

– 2025 LTIP awards will be based on the following measures: ROCE (35%), EBIT margin (hospital) (15%), relative TSR (20%), engagement (15%) and regulatory ratings (15%).

– Performance will be measured over a three-year period from 1 January 2025 to 31 December 2027.

	25% vests	50% vests	100% vests
Relative TSR vs FTSE 250 (20%)	Median		Upper Quartile
ROCE (35%)[2]	8.6%	10%	11%
EBIT Margin (15%)	9.6%	11.3%	13.0%
Regulatory ratings (15%)[3]	84% 'Good' or Above	88% 'Good' or above	94% 'Good' or above
Engagement (15%)[4]	see note below		

1. Straight-line vesting between points shown.
2. Return on Capital Employed is calculated as 'Adjusted EBIT/Capital Employed'. Capital Employed is calculated as 'Total Assets less Cash less Current Liabilities less Capital expenditure in the previous 12 months'. Capital expenditure in the last 12 months reflects additions of fixed assets (excluding leased assets). Return on Capital Employed will be measured as at 31 December 2027.
3. Vesting for the regulatory rating element can be scaled back (including to nil) if any site is rated 'inadequate'. The remuneration committee is satisfied that outcomes at the upper-end of the scale would represent exceptional and market leading results for the portfolio, especially in the context of continued enhancements in the expectations of our regulators.
4. We are currently undertaking a review of the provider and methodology for engagement and targets will be disclosed in full in the 2025 directors' remuneration report.

Element	
2025 LTIP holding requirement	– LTIP awards are subject to a two-year, post vesting holding period
Shareholding guideline	– 200% of salary in-employment shareholding guideline – Post-cessation shareholding requirements apply at the same level as the in-employment guideline (or actual shareholding, if lower) for two years following cessation of employment
Malus and clawback	– Malus and/or clawback provisions apply to annual bonus awards and LTIP awards – The malus and clawback provisions are set out in the remuneration policy
Year-end outcomes:	
2024 CEO bonus outcome	– 36.1% of maximum pay-out
2022 CEO LTIP outcome	– 60.8% of maximum vesting

Annual report on remuneration

Single total figure of remuneration – executive directors (audited)

The following table sets out the total remuneration for the executive directors for the year ended 31 December 2024. This comprises the total remuneration in respect of the full year from 1 January 2024 to 31 December 2024.

	Justin Ash		Harbant Samra		Jitesh Sodha	
(£000)	2024	2023	2024	2023	2024	2023
Salary	**648.8**	643.0	**245.6**	–	**153.7**	432.6
Benefits	**18.8**	18.5	**10.2**	–	**5.8**	17.0
Retirement benefits	**51.9**	51.4	**19.6**	–	**12.3**	34.6
Total fixed pay	**719.5**	712.9	**275.4**	–	**171.8**	484.2
Annual bonus[1]	**347.9**	727.3	**130.6**	–	**140.2**	489.3
Long-term incentives[2,3]	**746.1**	1,285.6	**78.2**	–	**502.0**	865.0
Total variable pay	**1,094.0**	2,012.9	**208.8**	–	**642.2**	1,354.3
Total	**1,813.5**	2,725.8	**484.2**	–	**814.0**	1,838.5

1. One third of the annual bonus paid to Justin Ash and Harbant Samra will be deferred into shares for three years.
2. All were participants of the 2022 LTIP awards, which are due to vest in 2025. For the purposes of this table, the value of awards is based on the average share price during the final quarter of 2024 (£2.23). None of the 2024 LTIP value is attributable to share price appreciation.
3. The 2021 LTIP awards have been restated to reflect the actual share price on vesting of £2.345.
4. Harbant Samra succeeded Jitesh Sodha as Chief Financial Officer on 9 May 2024; remuneration details for 2024 are in respect of services provided as executive directors. As disclosed last year, Jitesh Sodha remained as an employee after stepping down from the board. Harbant Samra's LTIP award was granted in relation to his previous role, though he did not sit on the board. The full value of LTIP awards to both individuals have been included for transparency.

Annual bonus

For the 2024 financial year, the maximum bonus opportunity for executive directors was 150% of base salary. Awards for current executive directors were measured 60% on adjusted EBITDA, 20% on free cash flow and 20% against individual strategic objectives.

All bonuses in the group, including those payable to executive directors, were subject to a minimum EBITDA trigger of £238.0 million and a minimum quality trigger. Both hurdles were achieved for 2024, and therefore executive directors were considered for bonuses. A portion of bonuses for Justin Ash and Harbant Samra are deferred into shares for three years.

Financial measure targets and outcomes for 2024 were as follows:

	0% of element	40% of element	50% of element	100% of element	Outcome	Outcome (% of element)
Adjusted EBITDA						
60%	£254.0m	£267.0m	£268.3m	£275.0m	£260m	18.5%
Free cash flow						
20%	£25m	£41m	£45m	£65m	£39m	35%

The adjusted EBITDA outcome of £260.0 million is an 11.1% increase on prior year.

Annual report on remuneration continued

For 2024, the strategic element was centred around the achievement of the areas of focus noted in the table below. The outcome for the executive directors fairly reflects the contribution made during the year, including progress towards a number of key strategic initiatives.

Area of focus	Progress and achievements during the year	Outcome
Chief executive officer		
Be a change champion: review and update five year strategic plan to reflect advances in healthcare focusing on technology. Implement a reward framework across all hospitals.	Successful review of five year strategic plan and progress made in key elements during 2024. Reward framework successfully implemented in all hospitals.	5/5
Make it count: deliver digitalisation programmes for 2024 with associated efficiencies in processes. Support primary care services in delivery of financial plan.	Successful delivery of the majority of the digitalisation programmes with savings delivery on track. Primary care services performing well and ahead of budget.	4.5/5
Listen up: delivery and implementation of PSIRF and DCIQ with improved engagement in learnings and assurance of quality. Continue to champion and focus on FTSU strategy and programme.	Successful roll-out across the organisation ahead of sector of PSIRF and DCIQ – now in place and in use at all sites. Continued strong sponsorship of FTSU strategy and programme with strong positive results on colleague engagement and continued development for 2025.	4.5/5
Inspire kindness: championing that patients, colleagues and consultants are treated with kindness, courtesy and respect through annual survey results.	Increase in outcome through annual consultant survey results for quality of services provided. Significant increase in result for survey score on patients saying their care was personalised. Continued focus on behaviours to drive year on year improvement.	4/5
Total bonus achieved against individual strategic targets		18%
Chief financial officer		
Review and update five year strategic plan to reflect advances in healthcare focusing on technology.	Successful review of five year strategic plan and progress made in key elements during 2024.	5/5
Successful execution of digitalisation/ savings programmes for 2024.	Successful delivery of the majority of the digitalisation programmes with savings delivery on track.	3.8/5
Review of Finance function structure with aim to strengthen talent pipeline and skills.	Successful review of finance function and leadership team to strengthen the function and core capabilities.	5/5
ROCE improvement.	Delivered improved full year ROCE of 8.2%, versus 7.5% for FY 2023.	3.5/5
Total bonus achieved against individual strategic targets		17.3%

Based on the assessment above, the overall outcome is 36.1% of the maximum bonus for the chief executive officer and 35.4% for Harbant Samra for his time as the chief financial officer.

Taking into account overall performance during the year and strategic progress made, the remuneration committee is satisfied that the outcomes are appropriate and no discretion has been applied.

As disclosed last year, as a good leaver, Jitesh Sodha was eligible to participate in the annual bonus scheme to the extent that he worked his notice period. For the period that he was an executive director, he was eligible for a bonus of up to 150% of salary, pro-rated for time up to the date he stepped down from the board. As he was only on the board until 8 May 2024, his bonus was based on 50% group objectives (75% adjusted group EBITDA and 25% group free cash flow) and 50% based on individual strategic objectives. The EBITDA and free cash flow outcomes are the same as applied to the current executive directors. His individual objectives related to overseeing the integration of Vita Health Group and the next stage of profitability enhancement for the Doctors Clinic Group, delivering the 2023 full-year results and annual report, and a comprehensive handover to Harbant Samra. This resulted in a bonus of £140,195 (61.3% of maximum and pro-rated for time to 8 May 2024).

Long Term Incentive Plan (LTIP)

The performance period for awards granted in 2022 ended on 31 December 2024. This award was based on targets linked to ROCE, relative TSR and operational excellence measures.

The performance targets for this award were disclosed in the 2022 directors' remuneration report and the result at the conclusion of the three-year performance period was as follows:

	25% vests	50% vests	100% vests	Outcome	Percentage outcome
Relative TSR v FTSE 250 (excluding investment trusts) (35%)	Median[1]		Upper quartile	between median and upper quartile	13.97%
Return on capital employed (35%)	6.0%[1]	7.3%	9.6%	8.2%	24.35%
Regulatory rating (15%)	84% achieve 'Good' or above[1]	88% achieve 'Good' or above	94% achieve 'Good' or above	98% achieve 'Good' or above	15%
Employee engagement (15%)	76%[1]	79%	82%	79%	7.5%
					60.82%

1. There is no vesting for performance below these levels.
2. There is straight-line vesting between the points shown.
3. To ensure a more rounded assessment over the LTIP performance period, the employee engagement score has been measured using a three-year average over the performance period.

Overall, the committee is satisfied that the outcomes from this award are supported by improvements in underlying performance over the period and the experience of our shareholders. Therefore, the committee is satisfied that the vesting outcomes are fully warranted.

Awards under the LTIP were granted to Justin Ash and Harbant Samra on 14 March 2024. No award was granted to Jitesh Sodha. These awards were granted in the form of nil-cost options over Spire Healthcare Group plc shares, with the number of shares that may vest conditional on performance over the three-year period to 31 December 2026. The maximum award granted to executive directors was equivalent to 200% of base salary.

The full details of the performance conditions applying to the 2024 awards are set out below:

	25% vests	50% vests	100% vests
Relative TSR (20%)	Median	–	Upper quartile
Return on capital employed (35%)	8.6%	10.0%	11.0%
EBITDA margin hospital (15%)[1]		20.5%	21%
Regulatory ratings (15%)	84% achieve 'Good' or above	88% achieve 'Good' or above	94% achieve 'Good' or above
Employee engagement (15%)	76%	80%	82%

1.Rather than incorporating a lower threshold hurdle for vesting of 25% for EBITDA margin (hospital), the Committee concluded that there will be no vesting under this element where performance is less than 20.5%

Outstanding share awards

The following table provides details of all outstanding awards, as at 31 December 2024, made to current executive directors under the LTIP that remain within their three-year performance period:

	Type of award	Date of grant	Number of shares	Share price	Face value at grant[1]	End of performance period
Justin Ash	Conditional Share Award (in the form of nil-cost options)	14 March 2022	543,750	£2.296	£1,248,450	31 December 2024
		15 March 2023	541,661	£2.374	£1,285,904	31 December 2025
		14 March 2024	542,575	£2.370	£1,285,904	31 December 2026
Harbant Samra	Conditional Share Award (in the form of nil-cost options)	14 March 2022	57,007	£2.296	£130,890	31 December 2024
		15 March 2023	131,634	£2.374	£312,500	31 December 2025
		14 March 2024	320,675	£2.370	£760,000	31 December 2026

1. The face value of awards made in 2024 was equivalent to 200% of base salary. The share price used to determine the number of shares under the 2024 award was based on the average of the mid-market quotation at close of business over the five trading days ending on 13 March 2024 (£2.370). The face value of awards made in 2022 and 2023 to Justin Ash were equivalent to 200% of base salary. The 2022 and 2023 LTIP awards for Harbant Samra were in respect of his previous role.
2. The 2022, 2023 and 2024 awards are subject to relative TSR, ROCE and operational excellence conditions. Further detail on specific targets is set out in the 2022 and 2023 directors' remuneration reports.

.

The following table provides details of all outstanding awards, as at 31 December 2024, that have completed their three-year performance period and have vested to current executive directors under the LTIP but remain within the two-year holding period:

	Type of award	Date of grant	Number of shares originally awarded	Number of shares lapsed	Number of shares in two-year holding period	End of two-year holding period
Justin Ash	Conditional Share Award (in the form of nil-cost options)	6 April 2020	1,028,046	274,180	753,866	6 April 2025
		18 March 2021	665,606	118,545	547,061	18 March 2026

The following table provides details of awards granted to the executive directors during 2024 under the Deferred Share Bonus Plan, which relate to bonuses payable in respect of 2023 and disclosed in last year's remuneration report. Awards will normally vest three years after the grant date.

	Type of award	Date of grant	Number of shares	Share price	Face value at grant
Justin Ash	Conditional Share Award (in the form of nil-cost options)	14 March 2024	152,786	£2.38	£363,633
Jitesh Sodha	Conditional Share Award (in the form of nil-cost options)	14 March 2024	68,533	£2.38	£163,110

This award will be released in 2027 and remains subject to malus terms during this period.

Sharesave

The company operates an HMRC-approved Savings-Related Share Option Plan (Sharesave). Participation in Sharesave is conditional on three months' service and executive directors may participate in the same way as all other colleagues. Sharesave is an all-employee share plan and there are no performance conditions.

	Date of grant	Number of shares	Option price	Awards are exercisable between
Justin Ash	26 April 2022	1,818	£1.98	1 June 2025 and 30 November 2025
Harbant Samra	26 April 2022	1,818	£1.98	1 June 2025 and 30 November 2025

Annual report on remuneration continued

Single total figure of remuneration – non-executive directors (audited)

The following table sets out the total remuneration for the non-executive directors for the year ended 31 December 2024.

(£000)	2024 Fees	2024 Benefits[1]	2024 Total	2023 Fees	2023 Benefits[1]	2023 Total
Sir Ian Cheshire	**236.9**	**3.5**	**240.4**	230.0	2.0	232.0
Martin Angle[2]	**103.8**	**10.9**	**114.7**	150.0	18.4	168.4
Paula Bobbett	**58.4**	**0.3**	**58.7**	56.7	–	56.7
Natalie Ceeney[3]	**68.6**	**1.8**	**70.4**	44.2	0.4	44.6
Professor Dame Janet Husband	**103.0**	**8.9**	**111.9**	95.6	15.7	111.3
Jenny Kay	**58.4**	**1.5**	**59.9**	56.7	0.9	57.6
Professor Cliff Shearman	**58.4**	**1.9**	**60.3**	56.7	2.0	58.7
Dr Ronnie van der Merwe[4]	**50.0**	**–**	**50.0**	50.0	–	50.0
Debbie White[5]	**80.7**	**11.2**	**82.8**	63.7	2.1	65.8
Total	**818.2**	**40.0**	**849.1**	803.6	41.5	845.1

1. Reasonable expenses incurred by any non-executive director will be reimbursed by the company but they have no other contractual entitlement to benefits. For non-executive directors certain expenses relating to the performance of a non-executive director's duties in carrying out activities, such as travel to and from company meetings, are classified as taxable benefits by HMRC. In line with current regulations these taxable benefits have been disclosed and are shown in the taxable benefits column in the directors' remuneration table above. The figures shown include the cost of the expenses grossed up for tax and national insurance.
2. Martin Angle sadly passed away in September 2024.
3. Natalie Ceeney was appointed an independent non-executive director on 1 May 2023.
4. Pursuant to the relationship agreement dated 22 June 2015 between the company and Mediclinic Jersey Limited, under which Mediclinic Jersey Limited is entitled to nominate for appointment to the board one non-executive director, and Dr Ronnie van der Merwe was appointed to the board on 24 May 2018. As a non-executive director nominated by the principal shareholder, the fees for Dr Ronnie van der Merwe are paid to a subsidiary company within the Mediclinic Group Limited group.
5. Debbie White was appointed an independent non-executive director on 1 February 2023. She became the company's senior independent director on 12 May 2023.

Non-executive directors

The current non-executive chairman and independent non-executive directors' fees are as follows levels:

- Non-executive chairman: £236,900
- Senior independent director: £77,250
- Vice chair: £103,000
- Basic fee for an independent non-executive directors: £58,350
- Basic fee for a non-independent non-executive directors: £50,000
- Chairs of audit and risk committee and remuneration committee: £10,300

Statement of directors' shareholding and share interests (audited)

The table below sets out the directors' shareholdings in the company. As noted above, executive directors are expected to build up and maintain a holding equivalent to twice their base salary. In addition, executive directors are required to retain this level of shareholding (or actual relevant holding on departure, if lower), for two years after stepping down from the board. There is no requirement for non-executive directors to hold shares in the company.

	Shareholding		Guidelines
	As at 31 December 2024	As at 31 December 2023	Proportion of shareholding guideline achieved[1]
Non-executive chairman			
Sir Ian Cheshire	**8,846**	8,846	
Executive directors			
Justin Ash	**848,740**	578,268	296.78%
Harbant Samra[2]	**34,884**	3,302	9.75%
Non-executive directors			
Paula Bobbett	–	–	
Natalie Ceeney	–	–	
Professor Dame Janet Husband	**10,231**	10,231	
Jenny Kay	**4,911**	4,911	
Professor Cliff Shearman	–	–	
Dr Ronnie van der Merwe	–	–	
Debbie White	–	–	

1. Calculated based upon the closing share price on 31 December 2024 of £2.265. Unvested Deferred Share Bonus Plan (DSBP) shares and vested LTIP awards subject to a holding period are only are taken into account on a net of tax basis for the purpose of the guidelines. As noted above during 2025, shares relating to the 2022 LTIP will vest for both executive directors.
2. Harbant Samra was appointed to the board during 2024 and is making progress towards meeting the guideline.

There have been no changes to directors' shareholdings between 31 December 2024 and the date this report is signed off.

Annual report on remuneration continued

The table below sets out the directors' interests in shares of the company which remain unvested or have vested but are unexercised as at 31 December 2024. Unvested awards are structured as nil-cost options.

	Options	Shares		
	Unvested and not subject to performance conditions[1]	Unvested and subject to performance conditions[2]	Unvested and not subject to performance conditions[3]	Vested and not subject to performance conditions[4]
Non-executive chairman				
Sir Ian Cheshire	–	–	–	–
Executive directors				
Justin Ash	1,818	1,627,986	364,266	1,300,927
Harbant Samra	1,818	509,316	0	0
Non-executive directors				
Paula Bobbett	–	–	–	–
Natalie Ceeney	–	–	–	–
Dame Janet Husband	–	–	–	–
Jenny Kay	–	–	–	–
Professor Cliff Shearman	–	–	–	–
Dr Ronnie van der Merwe	–	–	–	–
Debbie White	–	–	–	–

1. Consists of awards granted under Sharesave.
2. Consists of grants under the LTIP that have been awarded but remain subject to performance conditions.
3. Consists of grants under the DSBP that have been awarded but remain unvested.
4. Consists of grants under the LTIP that have vested and currently subject to a two-year holding period.

Letters of appointment

Non-executive director	Date of appointment	Notice period	Date of expiry
Paula Bobbett	1 November 2022	2 months	No later than 30 June 2025
Natalie Ceeney	1 May 2023	2 months	No later than 30 June 2025
Sir Ian Cheshire	4 March 2021	12 months	No later than 30 June 2026
Dame Janet Husband	24 June 2014	2 months	No later than 30 June 2026
Jenny Kay	1 June 2019	2 months	No later than 30 June 2025
Professor Cliff Shearman	1 October 2020	2 months	No later than 30 June 2026
Dr Ronnie van der Merwe[1]	24 May 2018	n/a	No later than 30 June 2027
Debbie White	1 February 2023	3 months	No later than 30 June 2025

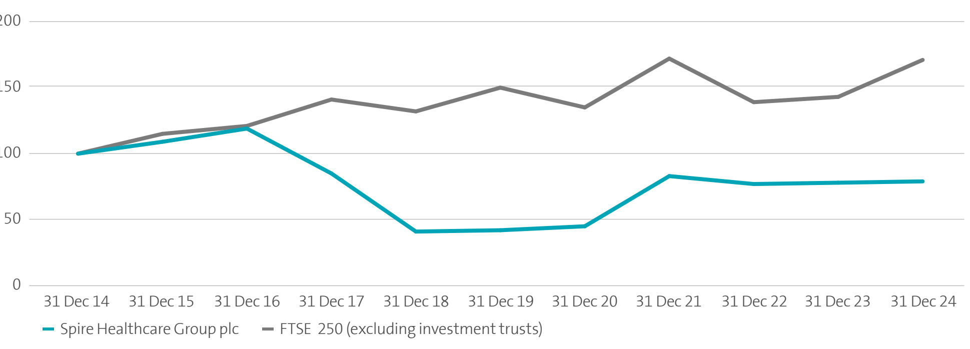
1. Pursuant to the relationship agreement dated 22 June 2015 between the company and Mediclinic Jersey Limited, under which Mediclinic Jersey Limited is entitled to nominate for appointment to the board one non-executive director, Dr Ronnie van der Merwe was appointed to the board on 24 May 2018. Dr Ronnie van der Merwe is considered to be a non-independent, non-executive director.

Service contracts

After appointment, executive directors will put themselves up for re-election at each annual general meeting. Executive directors are employed under ongoing service contracts with the group. These contracts do not have a fixed term of appointment. Copies of their service contracts are available to shareholders for inspection at the company's registered office.

Performance graph

The graph below illustrates Spire Healthcare Group plc's TSR performance against the FTSE 250 (excluding investment trusts) since 31 December 2014. Given that the company is a constituent of the FTSE 250 index, the remuneration committee considers this an appropriate peer group.



Source: ThomsonReuters Datastream

Annual report on remuneration continued

The table below shows the total remuneration paid in respect of the chief executive officer role.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Chief executive's single figure remuneration (£000s)[1,2]	1,095.8	320.5	128.2	732.4	1,010.1	1,251.7	2,129.3	2,860.0	2,725.8	1,813.5
Annual bonus payout (% of maximum)	0%	0%	0%	0%	30%	35%	48.4%	53.0%	75.4%	36.1%
LTIP vesting (% of maximum)[3]	n/a	n/a	n/a	n/a	n/a	18.9%	53.75%	73.33%	82.19%	60.82%

1. 2017: Justin Ash was appointed chief executive officer on 30 October 2017. The value shown for 2017 therefore represents a part-year figure for his time in role. During 2017: (i) Garry Watts fulfilled the role of chief executive officer from 14 March 2016 to 12 June 2017 for which he was paid £714,600; and (ii) Simon Gordon undertook the role of interim chief executive officer between 13 June 2017 and 29 October 2017 for which he was paid c.£243,000.
2. 2016: Rob Roger stepped down from the board on 30 June 2016. The value shown for 2016 therefore represents a part-year figure for his time in the role. Garry Watts fulfilled the role of chief executive officer from 14 March 2016 to 12 June 2017.
3. Rob Roger and Garry Watts did not have any LTIP awards vesting in respect of 2016; for other participants the LTIP based on performance to 31 December 2016 vested at 50% of maximum. Similarly, Justin Ash and Garry Watts did not have any LTIP awards vesting in respect of 2017, 2018 or 2019; for other participants (including Simon Gordon) the LTIP based on performance to 31 December 2017 and 31 December 2018 lapsed in full while the LTIP based on performance to 31 December 2019 vested at 3.75% of maximum.

Annual change in remuneration

In line with the requirements in The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, the table below shows the annual percentage change in remuneration (based on salary or fees, benefits and annual bonus). Given the small number of people employed by the Spire Healthcare Group plc entity, data for all employees of the group has been included.

	2024			2023			2022			2021			2020		
	Salary/fee FY24 vs FY23	Benefits FY24 vs FY23	Annual Bonus FY24 vs FY23	Salary/fee FY23 vs FY22	Benefits FY23 vs FY22	Annual Bonus FY23 vs FY22	Salary/fee FY22 vs FY21	Benefits FY22 vs FY21	Annual Bonus FY22 vs FY21	Salary/fee FY21 vs FY20	Benefits FY21 vs FY20	Annual Bonus FY21 vs FY20	Salary/fee FY20 vs FY19	Benefits FY20 vs FY19	Annual Bonus FY20 vs FY19
Chairman															
Sir Ian Cheshire[1]	**3.0%**	**75.0%**	**–**	0%	122.2%	–	0%	100%	–	–	–	–	–	–	–
Executive directors															
Justin Ash	**0.9%**	**1.6%**	**(52)%**	2.0%	79.6%	46.6%	1.0%	45.1%	9.5%	1.0%	2.9%	40.4%	(4.5)%	(0.1)%	16.7%
Harbant Samra[2]	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–	–	–	–
Jitesh Sodha[3]	**(64.5)%**	**(65.9)%**	**(71)%**	2.0%	(16.3)%	48.5%	1.0%	20.1%	(3.6)%	5.8%	0%	65.2%	(4.5)%	0%	16.7%
Non-executive directors															
Martin Angle[4]	**(30.8)%**	**(40.8)%**	**–**	0%	72.2%	–	0%	400.0%	–	0%	(64.4)%	–	0%	(59)%	–
Paula Bobbett[5]	**3.0%**	**100.0%**	**–**	0%	–	–	0%	–	–	–	–	–	–	–	–
Natalie Ceeney[5]	**55.2%**	**350.0%**	**–**	0%	–	–	–	–	–	–	–	–	–	–	–
Dame Janet Husband	**7.7%**	**(43.3)%**	**–**	34.3%	127.5%	–	1.7%	137.9%	–	0%	(60.3)%	–	0%	(67.6)%	–
Jenny Kay	**3.0%**	**66.7%**	**–**	1.98%	100.0%	–	1.1%	–	–	0%	–	–	0%	(100)%	–
Professor Cliff Shearman	**3.0%**	**(5.0)%**	**–**	2.0%	53.85%	–	1.1%	100.0%	–	–	–	–	–	–	–
Dr Ronnie van der Merwe	**0%**	**–**	**–**	0%	–	–	0%	–	–	0%	–	–	0%	–	–
Debbie White[5]	**26.7%**	**433.3%**	**–**	0%	–	–	–	–	–	–	–	–	–	–	–
Average employee	**6.8%**	**1.8%**	**(45.9)%**	4.7%	5.1%	60.0%	4.4%	11.8%	(1.4)%	2.3%	11.2%	4.4%	5.3%	2.7%	75.7%

1. Sir Ian Cheshire was appointed chairman-designate on 4 March 2021. To provide a meaningful comparison of percentage increase his fee received as chairman for 2022 has been considered on a full-time equivalent basis.
2. Harbant Samra joined the Board on 9 May 2024.
3. Jitesh Sodha stepped down from the Board on 9 May 2024. The change in remuneration is based on the single total figure of remuneration.
4. For Martin Angle the change in remuneration for 2024 is based on the single total figure of remuneration.
5. Paula Bobbett, Natalie Ceeny and Debbie White were appointed independent non-executive director on 1 November 2022, 1 May 2023 and 1 February 2023 respectively. To provide a meaningful comparison of percentage increase Paula's fee for 2022 and Natalie's and Debbie's fees for 2023 have been considered on a full-time equivalent basis.

Relative importance of spend on pay

£(m)	2024	2023	% change
Total remuneration	**571.7**	477.2	19.8%
Distributions to shareholders	**8.5**	2.0	425%

CEO pay ratio for 2024

The table below shows the ratio of the total remuneration of the chief executive officer to that of the lower quartile, median and upper quartile employees and bank workers in 2024, consistent with the regulations.

Year	Method		P25 (LQ)	P50 (Median)	P75 (UQ)
2019	A	Pay Ratio	50:1	35:1	25:1
2020	A	Pay Ratio	61:1	45:1	31:1
2021	A	Pay Ratio	92:1	66:1	42:1
2022	A	Pay Ratio	122:1	89:1	62:1
2023	A	Pay Ratio	107:1	81:1	55:1
2024	A	Pay Ratio	68:1	52:1	37:1

Spire Healthcare has compared the total remuneration of the chief executive officer to UK employees for the 12 months ending 31 December 2024 on a full-time equivalent basis. The company has determined the P25, P50 and P75 individuals with reference to a ranking of total remuneration.

The company's principles for pay setting and progression in our wider workforce are the same as for our executives which form a total reward proposition which is competitive to attract and retain the highest quality of talent in a difficult market, while providing opportunities for development and career progression.

The median pay ratio reported is consistent with the wider policies in place at Spire Healthcare. All employees are eligible for pay increases, recognition awards, participation in Sharesave, and career and development opportunities.

The pay for the chief executive officer is, by design, intended to have a larger proportion linked to performance-based variable pay, and therefore the pay ratio would be expected to vary year-on-year and be higher in years when the business performs well. The CEO pay ratio is lower in 2024 due to lower variable pay. There is no discernible trend between the period from 2019 to 2024. For colleagues, the year-on-year change in remuneration reflects the application of annual salary review of 2.75% for majority of permanent colleagues and investment in the reward framework for hospitals.

Notes to the calculation

- The 2024, total remuneration for the colleagues identified at P25, P50 and P75 are as follows: £26,785, £34,833, £49,062
- The 2024, base salary for the colleagues identified at P25, P50 and P75 are as follows: £24,180, £32,866, £42,385
- Under option A, the ratios are based on the full-time equivalent total remuneration which includes base salary, incentive payments, taxable benefits and pension benefits for the financial year 1 January to 31 December 2024
- Option A is selected as it is considered to provide the most transparent approach to calculation
- Vita Health Group is included in the 2024 calculation
- The reference colleagues at the 25th, 50th and 75th percentile have been determined by reference to the last day of the financial year, 31 December 2024
- In accordance with the regulations, employees and bank workers have been included, while non-executive directors, contractors and medical consultants have not been included
- A total of 15,281 employees and bank workers were included in the calculation of the CEO Pay ratio. Colleagues on reduced pay due to long-term sickness absence, maternity leave or with zero pay in 2024 were excluded from the calculation
- Pay for each colleague is calculated in accordance with the single figure of remuneration. All components of remuneration are presented on a full-time equivalent basis by dividing sums by the number of hours for the portion of the year worked, and subsequently multiplying by the relevant annual full-time hours
- Bank workers do not participate in the annual bonus plan, Long-Term Incentive Plan and do not have any taxable benefits
- A significant portion of the chief executive officer's pay is variable. The pay ratio is, therefore, significantly impacted by the outcomes of variable pay plans
- The full amount of the annual bonus for the chief executive officer for 2024 is included in the total remuneration figure, including the portion deferred into shares

Departure terms for Jitesh Sodha

As fully disclosed in the 2023 directors' remuneration report and set out here again for completeness, Jitesh Sodha stepped down from the board and his role as chief financial officer upon conclusion of the 2024 annual general meeting. After stepping down from the board, Jitesh initially supported his successor with transition before focusing on a number of strategic initiatives for the remainder of his 12-month notice period. While Jitesh remains an employee, he will continue to receive his base salary and benefits. Healthcare benefits will cease 12 months after the end of his notice period. As Jitesh will continue to work his notice period, he will not receive any payment in lieu of notice or any other termination payment. He will also be provided with professional fees in relation to legal and career transition support of up to £55,000.

In light of Jitesh's performance and contribution during his tenure, he was treated as a 'good leaver' for incentive plan purposes. Outstanding deferred bonus awards and LTIP awards subject to a holding period will be released at the normal time. LTIP awards that are unvested at cessation of employment will be pro-rated for time and will remain subject to performance assessed at the end of the relevant performance period. Jitesh was not granted a further LTIP award in respect of 2024. Details of the 2024 bonus earned while on the board are included in the single figure table.

The post-employment shareholding requirement as set out in the annual report on remuneration will apply for a period of two years from the date he stepped down from the board.

Advice provided to the remuneration committee

During the course of the year, Deloitte LLP provided external advice to the remuneration committee and its total fees were £94,000 (2023: £84,800). During 2024, Deloitte LLP also provided other consulting services to the group. Deloitte LLP has voluntarily signed up to the remuneration consultants' code of conduct in relation to executive remuneration consulting during the year. The remuneration committee is comfortable that the Deloitte LLP engagement partner and team that provides remuneration advice to the remuneration committee do not have connections with the company or any of its directors that may impair their independence.

The non-executive chairman, chief executive officer, chief financial officer, group people director and company secretary attended committee meetings by invitation in order to provide the remuneration committee with additional context. No individual participates in decisions regarding their own remuneration.

Statement of voting at 2024 annual general meeting

The following table sets out the voting in respect of the resolutions to approve the company's directors' remuneration policy (voted on by shareholders in 2024) and 2023 directors' remuneration report put to shareholders at the company's annual general meeting held on 9 May 2024:

Resolution at 2024 AGM	Votes for	% of vote	Votes against	% of vote	Votes withheld
Approve the 2023 Directors' Remuneration Report	358,701,978	98.67%	4,845,191	1.33	8,287

Resolution at 2024 AGM	Votes for	% of vote	Votes against	% of vote	Votes withheld
Approve the Directors' Remuneration Policy	358,607,641	98.64%	4,942,028	1.36	5,787

This report on directors' remuneration will be put to an advisory vote at the annual general meeting on 14 May 2025. The directors confirm that this report has been prepared in accordance with the Companies Act 2006 and reflects the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. It also includes updates to legislation from The Companies (Miscellaneous Reporting) Regulations 2018 (SI 2018/860) and The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019. The report was approved at a meeting of the directors held on 5 March 2025.

Details of all resolutions passed at the annual general meeting held on 9 May 2024 can be found on page 96.

Natalie Ceeney
Chair, Remuneration Committee

5 March 2025

Directors' report

The directors submit their annual report together with the audited financial statements of Spire Healthcare Group plc (the 'company') together with its subsidiaries (the 'group') for the year ended 31 December 2024.

Certain disclosure requirements for inclusion in this directors' report have been incorporated by cross reference to the strategic report on pages 1 to 83 and the directors' remuneration report on pages 111 to 122, and should be read in conjunction with this report. The following, included in the strategic report, also form part of this report:

- Greenhouse gas emissions, which can be found in sustainability from page 38, engagement with stakeholders from page 55 and TCFD reporting from page 77
- Employees, which can be found in strategy from page 21, sustainability from page 38 and engaging with stakeholders from page 55
- The corporate governance report on pages 91 to 96
- Our strategy on pages 21 to 37

A description of the group's exposure and management of risks is provided in risks management and internal control from page 65.

Information regarding the company's gender pay gap reporting and charitable donations can be found in sustainability from page 38 and in engaging with stakeholders from page 55.

Registered office

The company's registered office and principal place of business is 3 Dorset Rise, London EC4Y 8EN.

Annual general meeting

The annual general meeting of Spire Healthcare Group plc will be held at 11.00am on 14 May 2025. Full details of shareholder attendance at the meeting will be provided in the 2025 notice of annual general meeting and at www.spirehealthcare.com/AGM.

At the meeting, resolutions will be proposed to receive the 2024 annual report and financial statements, approve a final dividend, approve the directors' remuneration report and the directors' remuneration policy, re-elect directors and to reappoint Ernst & Young LLP as auditor. Shareholders will also be asked to authorise the directors to hold general meetings at 14 clear days' notice (where this flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole). Further items of business to be proposed at the annual general meeting are described throughout this directors' report.

Dividends

The directors recommend the payment of a final dividend in respect of the year ended 31 December 2024 of 2.3 pence per ordinary share (2023: 2.1 pence per share). Subject to shareholders approving the recommendation at the annual general meeting, the final dividend will be paid on 20 June 2025 to shareholders on the register as at 23 May 2025.

Board of directors

The following changes were made to the board of directors between 1 January 2024 and signing of this report:

- Jitesh Sodha stepped down from the Board in May 2024;
- Harbant Samra was appointed chief financial officer in May 2024; and
- Martin Angle sadly passed away in September 2024.

Dame Janet Husband will step down from the Board at the conclusion of the annual general meeting on 14 May 2025 and not seek re-election by shareholder. Jill Anderson and Sir David Sloman will be appointed non-executive directors on 6 March 2025. As a result of Sir David's appointment with AXA UK and Ireland, the Company does not consider him to be independent.

A list of the current directors of Spire Healthcare Group plc can be found on pages 97 to 99.

The UK Corporate Governance Code provides for all directors of FTSE companies to stand for re-election by shareholders every year. Accordingly, all members of the board, with the exception of Dame Janet Husband who will step down as a director, will retire and seek re-election at this year's annual general meeting. Full biographical details of all of the directors can be found on pages 98 and 99.

Further information on the contractual arrangements of the executive directors is given on pages 114. The non-executive directors do not have service agreements.

Powers of the directors

The business of the company is managed by the directors who may exercise all the powers of the company, subject to any relevant legislation, any directions given by the company by passing a special resolution and to the company's articles of association. The articles, for example, contain specific provisions concerning the company's power to borrow money and issue shares.

Appointment and removal of directors

Rules relating to the appointment and removal of the directors are contained within the company's articles of association.

Director's indemnities

See page 94 in the corporate governance section.

Amendment of articles of association

The company may only make amendments to the articles of association of the company by way of special resolution of the shareholders, in accordance with the Companies Act 2006.

Employees

The group is an equal opportunities employer and is committed to creating an environment which will attract, retain and motivate its people, by creating a working environment in which individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit. Spire Healthcare employs people who consider themselves to have a disability (a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities).

Employees who consider themselves to have a disability are under no obligation to inform their employer of this, however, we are fully aware of, and comply with, our obligations in accordance with the relevant provisions of the Equality Act 2010.

We remain committed to colleague involvement throughout the business. Colleagues are kept well informed of the clinical and financial performance of the facility that they work in as well as the group more widely. Examples of colleague involvement and engagement are highlighted throughout this annual report. When appropriate, consultations with employee and union representatives take place. The group gives full and fair consideration to applications for employment from disabled persons. Should an employee become disabled during their employment with Spire Healthcare, every effort is made to enable them to continue their service with the group.

Further information on our colleagues can be found under strategy from page 21 and engagement with stakeholders from page 55.

Statement regarding fostering relationships with suppliers, customers and others

Explanation of how the directors have fostered the company's business relationships with suppliers, customers, employees and others, and taken each group into account when making principal decisions can be found under engagement with stakeholders from page 55.

Political donations and expenditure

The group made no political donations during the year. Although the company does not make, and does not intend to make, donations to political parties, within the normal meaning of that expression, the definition of political donations under the Companies Act 2006 is very broad and includes expenses legitimately incurred as part of the process of talking to members of parliament and opinion formers to ensure that the issues and concerns of the group are considered and addressed. These activities are not intended to support any political party and the group's policy is not to make any donations for political purposes in the normally accepted sense.

A resolution will therefore be proposed at the annual general meeting seeking shareholder approval for the directors to be given authority to make donations and incur expenditure which might otherwise be caught by the terms of the Companies Act 2006. The authority sought will be limited to a maximum amount of £100,000.

Share capital

As at the date of this report, Spire Healthcare Group plc had an issued share capital of 402,759,599 ordinary shares of 1 pence each, being the total number of shares with voting rights.

Equiniti Trust (Jersey) Limited, as trustee of the company's Employee Benefit Trust, holds 388,184 ordinary shares of 1 pence each (2023: 312,160). Further details can be found in note 22 on page 155.

The rights attaching to the shares are set out in the articles of association. There are no restrictions on the transfer of ordinary shares in the capital of the company other than those which may be imposed by law from time-to-time. There are no special control rights in relation to the company's shares and the company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights. In accordance with the Disclosure Guidance and Transparency Rules, certain employees are required to seek approval prior to dealing in the company's shares. The company's entire issued ordinary share capital is listed on the premium segment of the Official List of the Financial Conduct Authority and to unconditional trading on the London Stock Exchange plc's main market for listed securities.

Further information relating to the company's issued share capital can be found in note 22 to the company's financial statements on page 155.

The company announced in October 2024 a return of up to £5 million of cash to its shareholders through the means of an on-market share buyback programme. The sole purpose of the programme was to reduce the issued share capital of the Company, delivering further value for shareholders, and any ordinary shares purchased under the programme will be cancelled. A total of 1,388,749 shares were purchased under the buyback programme by the year-end. No shares were acquired by forfeiture or surrender or made subject to a lien or charge. Details of the shares purchased by the company's Employee Benefit Trust are shown in note 22 on page 155.

Allot shares and pre-emption rights

Shareholders will be asked to renew both the general authority of the directors to issue shares and to authorise the directors to issue shares without applying the statutory pre-emption rights. In this regard, the company will continue to adhere to the provisions in the pre-emption group's Statement of Principles.

Further details on these matters can be found in the 2025 notice of annual general meeting.

Voting rights

In a general meeting of the company, on a show of hands, every member who is present in person or by proxy and entitled to vote shall have one vote. On a poll, every member who is present in person or by proxy shall have one vote for every share of which they are the holder.

Restrictions on voting

Unless the directors otherwise determine, a shareholder shall not be entitled to vote either personally or by proxy:

- If any call or other sum presently payable to the company in respect of that share remains unpaid or
- Having been duly served with a notice to provide the company with information under Section 793 of the Companies Act 2006, and has failed to do so within 14 days, for so long as the default continues

Directors' interests in shares

The beneficial interests of the directors' and their families in the shares of the company are detailed on page 118.

During the year, no director had any material interest in any contract of significance to the group's business.

Employee share scheme participation

The company's operates an all-employee Sharesave scheme which has been well received by colleagues. This is an important part of our total reward package and encourages and supports employee share ownership.

Material interests in shares

As of 5 March 2025, the company has been notified by the following investors of their interests in 3% or more of the company's issued share capital. These interests were notified to the company pursuant to Disclosure Guidance and Transparency Rule 5:

Shareholder	% disclosed
Mediclinic International Limited	29.9
Toscafund Asset Management	18.1
FIL Limited	10.6
Bridgemere Securities	4.1
Melquart Opportunities Master Fund Limited	3.8

Significant agreements

The following agreements are considered to be significant in terms of their potential impact on the business of the group as a whole and could alter or terminate on a change of control of the group:

- The group's bank facility agreement contains provisions entitling the counterparties to exercise termination or other rights in the event of a change of control
- There are a number of contracts which allow the counterparties to alter or terminate those arrangements in the event of a change of control of the company. These arrangements are commercially sensitive and confidential and their disclosure could be seriously prejudicial to the group
- The company's share incentive plans contain provisions relating to a change of control and full details of these plans are provided in the directors' remuneration report on pages 111 to 122. Outstanding options and awards would normally vest and become exercisable on a change of control, subject to the satisfaction of performance conditions, if applicable, at that time

The relationship agreement entered into with Mediclinic Jersey Limited (formerly called Remgro Jersey Limited), a subsidiary of Mediclinic International PLC, in June 2015 is deemed a material agreement between the company and its principal shareholder. The agreement does not include a change of control provision but does terminate upon the earlier of the company's ordinary shares ceasing to be listed and traded on the London Stock Exchange's main market for listed securities and the principal shareholder ceasing to be entitled, in aggregate, to exercise or to control the exercise of 15% or more of the votes to be cast on all or substantially all matters of a general meeting of the company.

Compensation for loss of office

There are no agreements between the group and its directors or employees providing for compensation for loss of office or employment that occurs as a result of a change of control.

Disclosures required under UK listing rule 6.6.1R

The table below is included to meet the requirements of UK Listing Rule section 6.6.1R. The information required to be disclosed by that section, where applicable to the company, can be located in the annual report 2024 at the references set out above.

Information required	Location in Annual Report 2024
Long-term incentive schemes	Directors' Remuneration Report pages 116 to 117
Equity securities allotted for cash	Note 22 on page 155
Parent and subsidiary undertakings	Note 17 on page 152
Subsisting significant agreements	Page 125
Controlling shareholder relationships	Page 125

Financial risk

The group's disclosure regarding financial risk is disclosed in note 33 on page 162 of the financial statements.

Events after the reporting period

On 21 February 2025 Brighton Orthopaedic and Sports Injury Clinic Limited formally notified Spire Healthcare of the intention to exercise their put option for Spire Healthcare to purchase the remaining 25% interest in Montefiore House Limited. A financial liability of £8.0 million is provided for this purchase, refer to note 24 on page 157.

Going concern

The group assessed going concern risk for the period through to 30 June 2026. As at 31 December 2024 the group had cash of £41.2 million and borrowings of £365 million of which £325 million is a Senior Loan Facility and £40 million drawn Revolving Credit Facility (RCF). The Group has access to an undrawn Revolving Credit Facility of £60 million. On 3 March 2023, the group exercised the option to extend the senior loan facility and RCF by a further year to February 2027. The financial covenants relating to this agreement are materially unchanged and there have been no modifications to the agreement terms.

The group has undertaken extensive activity to identify plausible risks which may arise and mitigating actions, which in the first instance would include management of working capital and constrained levels of capital investment. Based on the current assessment of the likelihood of these risks arising by 30 June 2026, together with their assessment of the planned mitigating actions being successful, the directors have concluded it is appropriate to prepare the accounts on a going concern basis. In arriving at their conclusion, the directors have also noted that, were these risks to arise in combination, it could result in a liquidity constraint or breach of covenant. However, the risk of this is considered remote.

The group has also assessed, as part of its reverse stress testing, what degree of downturn in trading it could sustain before it breaches its financial covenant. This stress testing was based on flexing revenue downwards with a consistent percentage decline in variable costs, whilst maintaining the forecast of fixed costs. The testing allows for the benefit of mitigating actions that could be taken by management to preserve cash. This testing suggested that there would have to be at least a 30% fall in annual forecast revenue before the group breaches its financial covenant, we believe that the risk of an event giving rise to this size of reduction in revenue is remote.

It should be noted that we remain in a period of material geopolitical and macroeconomic uncertainty. Whilst the directors continue to closely monitor these risks and their plausible impact, their severity is hard to predict and is dependent upon many external factors. Accordingly, the actual financial impact of these risks may materially vary against the current view of their plausible impact.

Disclosure of information to auditor

Having made enquiries of fellow directors and of the company's auditor, each of the directors confirms that:

- To the best of their knowledge and belief, there is no relevant audit information of which the company's auditor is unaware
- They have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information

Reappointment of auditor

Resolutions for the reappointment of Ernst & Young LLP as the auditor of the company and to authorise the directors to determine its remuneration will be proposed at the annual general meeting. Ernst & Young LLP has expressed its willingness to be reappointed.

The directors' report has been approved by the board and is signed on its behalf by:

Mantraraj Budhdev
Company Secretary

5 March 2025

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the group's financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with UK adopted International Accounting Standards ('UK-adopted IFRS') as issued by the International Accounting Standards Board ('IASB') and in accordance with the Companies Act 2006. Under company law the directors must not approve the group's financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period.

In preparing these financial statements the directors are required to:

- Select suitable accounting policies in accordance with IAS 8 accounting policies, changes in accounting estimates and errors and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- Present information in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance
- In respect of the group financial statements, state whether UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- In respect of the parent company financial statements, state whether UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the company and/or the group will not continue in business

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

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Each of the directors confirms that, to the best of their knowledge:

- That the consolidated financial statements, prepared in accordance with UK-adopted International Accounting Standards give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole
- That the annual report, including the strategic report, includes a fair review of the development and performance of the business and the position of the company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
- That they consider the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy

By order of the board.

Justin Ash
Chief Executive Officer

5 March 2005

Harbant Samra
Chief Financial Officer

5 March 2005

Independent auditor's report

Opinion

In our opinion:

- Spire Healthcare Group plc's group financial statements and parent company financial statements (the 'financial statements') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 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 adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements of Spire Healthcare Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise:

Group	Parent company
Consolidated balance sheet as at 31 December 2024	Balance sheet as at 31 December 2024
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Statement of cash flows for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes C1 to C13 to the financial statements, including: material accounting policy information
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 36 to the financial statements, including: material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with section 408 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Independence

We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- The audit engagement partner and senior team members directed and supervised the audit procedures on going concern, in particular assessing the going concern models, assumptions therein and the result of stress testing scenarios.
- In conjunction with our walkthrough of the group's financial close process, we confirmed our understanding of management's going concern assessment process and also engaged with management early to ensure all key factors were considered in its assessment;
- In obtaining an understanding of management's rationale for the use of the going concern basis of accounting we have challenged the completeness of the assessment by ensuring that management had considered all principal risks as well as emerging issues within the assessments;

Managements' assessment and assumptions

- We obtained management's board approved forecast cash flows and covenant calculations covering the period of assessment from the financial statement approval date to 30 June 2026. We checked the models for arithmetical accuracy and considered the group's historical forecasting accuracy;
- We evaluated the appropriateness of the duration of the going concern assessment period to 30 June 2026 and considered the existence of any significant events or conditions beyond this period based on our enquiries of management, the group's five-year plan and knowledge arising from other areas of the audit;
- We assessed the reasonableness of the cashflow forecast by analysis of management's historical forecasting accuracy and understanding how any anticipated impact of inflation on consumer spending and shortage in healthcare professionals have been modelled.
- We evaluated the relevance and reliability of the underlying data used to make the assessment through considering corroborating evidence from external sources. We read analyst reports to identify potentially contradictory evidence on future profitability to challenge the going concern assessment. We ensured that climate change considerations were factored into future cash flows.

Debt covenants

- We obtained all the group's borrowing facility agreements and performed a detailed examination of these agreements. We assessed their continued availability to the group throughout the going concern period and ensured the completeness of covenants identified by management.
- We extended our procedures (including inquiries of management, considering the maturity of debt/availability of access to future financing in the viability period) to consider events beyond 30 June 2026. We have also inquired with our internal debt advisory specialists over the availability and prospects of Spire's refinancing options based on the corporate finance market for the sector, noting the maturity of facilities due to expire after the going concern period in February 2027.
- We evaluated the compliance of the group with debt covenants in the forecast period by reperforming calculations of the covenant tests. We further assessed the impact of the downside risk scenarios on covenant compliance and applied sensitivity analysis.

Stress testing and evaluation of management's plans for future actions

– We performed an independent reverse stress test to understand what it would take to breach available liquidity and exhaust covenant headroom.
– We considered management's plausible downside risk scenarios of the group's cash flow forecast models and their impact on forecast liquidity and banking covenants, specifically whether the downside risks were reasonably possible. We considered the adverse effects that could arise from these risks individually and also selected risks in combination.
– We considered the likelihood of management's ability to execute feasible mitigating actions available to respond to the downside risk scenarios based on our understanding of the group and the sector, including considering whether those mitigating actions were controllable by management.

Disclosures

– We considered whether management's disclosures within the annual report and accounts, sufficiently and appropriately capture the impacts of the group's principal risks on the going concern assessment and through consideration of relevant disclosure standards.

Our key observations were:

– The directors' assessment forecasts that the group will remain compliant with its debt covenants and maintain sufficient liquidity throughout the Going Concern assessment period.
– Stress testing performed indicated a 30% downturn in revenue, after taking into consideration controllable mitigating actions, is required for the group to breach its debt covenants. Management considers such a scenario is not plausible, however, in such an event management considers that the controllable mitigating actions would include management of working capital and constrained levels of capital investment. The group's principal source of funding extends beyond the going concern period to 2027. No loan repayments are due in the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 30 June 2026.

In relation to the group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	– We performed an audit of the complete financial information of two components and audit procedures on specific balances for a further nine components. We performed central procedures on financial statement line items as detailed in the 'Tailoring the scope' section below.
Key audit matters	– Risk of impairment to intangible and tangible assets – Manipulation of NHS revenue by changes to the pricing master file – Misstatement due to management posting fraudulent manual journal entries to revenue
Materiality	– Overall group materiality of £6.5 million which represents 2.6% of Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA').

An overview of the scope of the parent company and group audits

Tailoring the scope

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the group financial statements, we considered our understanding of the group and its business environment, the potential impact of climate change, the applicable financial framework, the group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We determined that centralised audit procedures would be performed on goodwill, right-of-use assets, lease liabilities, financial asset, investment in subsidiaries, intercompany, cash and cash equivalents, revenue, taxation and equity.

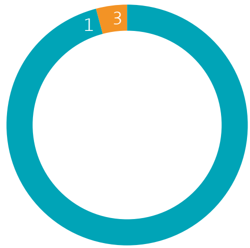
We then identified two components as individually relevant to the group due to materiality or financial size of the component relative to the group. These were the hospitals operating segment and the head office corporate entity. We then identified an additional thirteen components as individually relevant to the group based on the materiality of specific accounts relative to the group or due to the presence of significant events and conditions underlying the identified risks of material misstatement of the group's financial statements. These comprised a number of the group's key operating businesses across the primary care segment and hospitals segment.

We then considered whether the remaining group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the group financial statements. We selected nine further components of the group to include in our audit scope to address these risks which consisted of holding companies.

Of the eleven components within the scope of audit, we designed and performed audit procedures on the entire financial information of two components ('full scope component'). For nine components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ('specific scope components').

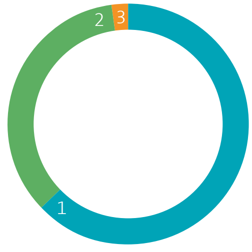
Our scoping to address the risk of material misstatement for each key audit matter is set out in the key audit matters section of our report.

Total revenue



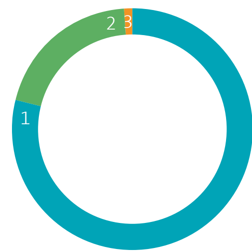
- 1. Full scope components **96%**
- 2. Specific scope components **0%**
- 3. Other procedures **4%**

Total PBT



- 1. Full scope components **63%**
- 2. Specific scope components **35%**
- 3. Other procedures **2%**

Total assets



- 1. Full scope components **79%**
- 2. Specific scope components **20%**
- 3. Other procedures **1%**

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact the group. The group has determined that the most significant future impacts from climate change on its operations will be from severe and extreme weather patterns, potential changes to laws and regulations, fluctuation in energy prices, and increased costs as a result of measures to reduce carbon emissions. These are explained on pages 77 to 82 in the required Task Force for Climate related Financial Disclosures and on page 70 in the principal risks and uncertainties. They have also explained their climate commitments within the sustainability report on pages 38 to 54. All of these disclosures form part of the 'Other information,' rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on 'Other information'.

In planning and performing our audit we assessed the potential impacts of climate change on the group's business and any consequential material impact on its financial statements.

As explained in the group's accounting policies and basis of preparation, the board has not identified any climate related risks or opportunities that would have a material impact on the assets or liabilities of the group. In notes 2, 14 and 15 to the financial statements, significant judgements and estimates relating to climate change have been described on the impairment assessment of property, plant and equipment and intangible assets in addition to financial assets and liabilities.

Our audit effort in considering climate change was focused on evaluating management's assessment of the impact of climate risk. Additionally, we also assessed the costs of energy being appropriately reflected in the assessment of the carrying value of assets, impairment of assets, reduction of economic useful lives of tangible and intangible assets and associated disclosures where values are determined through modelling future cash flows, being the impairment tests of tangible and intangible assets and related disclosures.

We also challenged the directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report continued

Risk

Risk of impairment to intangible and tangible assets

Refer to the Audit Committee Report (page 108); Accounting policies (page 144); and Note 14 and 15 of the Consolidated Financial Statements (page 149 to 151)

At 31 December 2024 the carrying value of intangible and tangible assets was £1,663.4 million (2023: £1,618.8 million) including hospital properties' right of use assets of £642.4 million (2023: £633.6 million) and goodwill of £611.6 million (2023: £611.1 million).

The UK economic environment continues to be challenged by factors including high inflation levels, higher interest rates, and supply chain disruptions, specifically in the healthcare industry where capacity constraints are being faced, combined with continued pressure on higher wages.

No impairment has been recognised (2023: £0 million).

Our response to the risk

We performed the following procedures:

- We gained an understanding of the process management has in place for impairment assessments through a walkthrough.
- We validated that the methodology of the impairment exercise is consistent with the requirements of IAS 36 Impairment of Assets, including appropriate identification of cash generating units for value in use calculations, by assessing the methodology against the requirements of IAS 36.
- We also confirmed the mathematical accuracy of the models.
- We obtained management's forecasts underlying the impairment assessment incorporating the continued impact from the macro-economic environment and climate related matters. We agreed them to forecasts approved by the board.
- We compared the forecasts to external sources such as industry analyst reports to assess the reasonableness of the assumptions applied as well to identify any contrary evidence to assist the audit team in determining the impact of this contrary evidence.
- We challenged management's historical accuracy of forecasting through comparing the budgets to actual results from 2021 to 2024 to determine whether forecast cash flows were reliable based on past experiences.
- We performed sensitivity analysis by testing key assumptions in the model to recalculate a range of potential outcomes in relation to the size of the headroom between the carrying value and the value in use. The sensitivities performed were based on the key assumptions underpinning managements' assessment.
- We have checked that the reasonable possible change assumptions applied by management are reasonable, complete and have been correctly calculated and disclosed.

In addition, we worked with our EY internal valuation specialists to:

- Independently calculate the discount rate and compare this to the discount rate applied in the models by management. We sensitised management's calculation to use the discount rate independently calculated.
- We assessed the inputs applied by management for reasonableness by benchmarking them against peer companies and recent transactions.

Disclosures
We evaluated the disclosures in the financial statements against the requirements of IAS 36 Impairment of Assets, in particular in, respect of the requirement to disclose sensitivities where a reasonably possible change in key assumptions could cause an impairment.

We performed full scope centralised audit procedures over this risk area.

Key observations communicated to the audit committee

We concluded that the discount rate used by management was at the lower end of the appropriate range determined by EY internal valuation specialists. In addition, we concluded that key assumptions in relation to EBITDA growth for property, EBITDA margin growth for goodwill, capital maintenance expenditure, discount rates and long-term growth rates applied to the terminal values were reasonable.

We highlighted that a reasonably possible change in key assumptions including a change in EBITDA margin and the discount rate could lead to impairment charges to tangible assets. We also highlighted that a reasonably possible change in key assumptions including a change in EBITDA margin and the discount rate could lead to impairment charges to intangible assets. We concluded that appropriate disclosures have been made in the financial statements as required.

We concluded that appropriate disclosures have been made in the financial statements as required.

Independent auditor's report continued

Risk	Our response to the risk	Key observations communicated to the audit committee
Revenue recognition: Manipulation of NHS revenue through changes to the pricing master file Refer to the Audit Committee Report (page 108); Accounting policies (page 138 and 139); and Note 4 of the Consolidated Financial Statements (page 145) NHS revenue with the associated risk 2024: £367.5 million (2023: £341.1 million) The high volume of patient transactions, for which pricing is derived from the NHS national tariff, leads to a higher likelihood of material misstatement through intentional changes to individual procedural pricing on the pricing master file. We consider the pressure to achieve forecast results or targets increases the risk of financial reporting manipulation by management.	We have performed the following procedures to gain assurance over NHS pricing: – We used data analytics to assess the accuracy of all the FY24 NHS billing data to publicly available NHS national tariff base prices, adjusted by Market Force factors. – For any material portion of the revenue population for which we were unable to agree the price billed to NHS national tariff base prices, e.g. where the price was agreed locally for a specific procedure, we have agreed a sample of this billing data to appropriate audit evidence. Specifically, we have agreed a sample of this billing data to the underlying signed agreement or, in instances where no current contract or correspondence was available, we traced the settlement of the invoice directly to cash. – We used data analytics, covering all NHS revenue transactions in the year, to test the correlation between revenue, accrued revenue, accounts receivable and cash. – We investigated whether there were any pricing disputes with the NHS during the year through discussions with legal counsel, review of minutes and the central concerns register. – We obtained a summary of aged NHS receivables and verified that the ageing is appropriate by testing a sample across the different ageing categories. We have performed a search for any large or unusually long outstanding receivables that are outside expected credit terms which may indicate that pricing disagreements exist. – Whilst we have not relied on any of the work performed by internal audit, we reviewed the results from their individual site audits completed during FY24, to understand if there were any revenue findings specific to NHS pricing which required further enquiry and/or corroboration. We performed full scope audit procedures over this risk area which covered 100% of NHS revenue impacted by the risk identified.	We did not identify any material errors in the pricing master file, nor evidence of management manipulation of revenue through changes to the pricing master file. We did not identify any indicators of pricing disputes with the NHS. Based on our audit procedures performed, we concluded that revenue for the year is appropriately recognised and free from material misstatement.
Misstatement due to management posting fraudulent manual journal entries to revenue Refer to the Audit Committee Report (page 108); Accounting policies (page 138 and 139); and Note 4 of the Consolidated Financial Statements (page 145) Our assessment is that the majority of the revenue transactions are non-complex, with no judgement applied over the amount recorded. We consider there is a potential for management override to achieve revenue targets via topside manual journal entries posted to revenue.	We have performed the following procedures to gain assurance manual journal entries to revenue: – We performed a walkthrough of the financial statement close process and obtained an understanding of the journal entry process, including the journal entry process for the consolidation, and adjusting journals which are posted directly to the financial statements. – We performed journal testing by focusing on specific criteria designed to identify journals through which we believe management could post fraudulent manual entries. Using our data analytics tool, we have understood revenue trends through the use of analytics as follows: – Analysis of double-entry postings to the related accounts and how these accounts are aligned with our understanding of the revenue process, activity and source; – To test the correlation between revenue, accrued revenue, accounts receivable and cash and; Identifying revenue trends which do not correlate with our expectation and investigating and corroborating these uncorrelated trends.	Based on our audit procedures we concluded that revenue, and adjustments to revenue, are appropriately recognised and recorded.

Independent auditor's report continued

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group to be £6.5 million (2023: £5.9 million), which is 2.6% of EBITDA (2023: 2.5% of Adjusted EBITDA). In prior years, our materiality calculation was based on adjusted EBITDA, we re-assessed our basis of materiality and concluded that EBITDA was more appropriate measure due to the relative size of adjusting items. We believe that EBITDA provides us with the most important metric to understand the financial performance of the business.

We determined materiality for the parent company to be £13.0 million (2023: £12.4 million), which is 1% (2023: 1%) of equity.

During the course of our audit, we reassessed initial materiality in line with actual EBITDA to reflect the reported performance of the group for the year.

Starting basis	– EBITDA: £238.2 million
↓	
Adjustments	– Adjusted items of £4.2 million are recognised in accordance with the group's accounting policy. – Asset acquisitions, disposals, impairment and aborted project costs (£3.1 million) – Business reorganisation and corporate restructuring costs (£2.0 million) – Remediation of regulatory compliance or malpractice costs (£-0.9 million)
↓	
Materiality	– Total Adjusted EBITDA: £234.0 million – Materiality of £5.9 million (2.5% Adjusted EBITDA)

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the group's overall control environment, our judgement was that performance materiality was 50% (2023: 50%) of our planning materiality, namely £3.2 million (2023: £2.9 million). We have set performance materiality at this percentage due to our assessment of the control environment and the history of audit adjustments identified.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.7 million to £3.2 million (2023: £0.6 million to £2.9 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.3 million (2023: £0.3 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 – 126 and pages 169 – 174, including the strategic report and the governance report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept 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 and the part of the Directors' Remuneration Report to be audited 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

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 125;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 125;
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 125;
- Directors' statement on fair, balanced and understandable set out on page 126
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 65;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 67; and
- The section describing the work of the audit committee set out on page 105.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 126, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 the directors 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 for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, 2018 UK Corporate Governance Code, the relevant tax compliance regulations in the UK and those administered by the Care Quality Commission in England and the equivalent organisation in Scotland and Wales. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the Listing Rules of the London Stock Exchange, the UK Bribery Act 2010 and regulation relating to employment law and data protection.
- We understood how Spire Healthcare Group plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes, papers provided to the Audit and Risk Committees and correspondence received from regulatory bodies.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of analysts. We considered the programmes and controls that the group has established to address the risk identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk. We have involved internal specialists as required in assessing compliance with relevant laws and regulations.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved; review of board minutes to identify non-compliance with such laws and regulations; reviewing external specialist reports, review of reporting to the Audit and Risk Committee on compliance with regulations; enquiries with legal counsel, group management and internal audit; testing of manual journals.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee, we were appointed by the company at its annual general meeting on 14 May 2020 to audit the financial statements for the year ending 31 December 2020 and subsequent financial periods.
- The period of total uninterrupted engagement since the company's admission to the London Stock Exchange in 2014 is 10 years, covering the years ending 31 December 2014 to 31 December 2024.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephney Dallmann
Senior statutory auditor

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

5 March 2025

Consolidated income statement

For the year ended 31 December 2024

(£m)	Note	2024 Total before Adjusting items	2024 Adjusting items (Note 11)	2024 Total	2023 Total before Adjusting items	2023 Adjusting items (Note 11)	2023 Total
Revenue	4	**1,511.2**	**–**	**1,511.2**	1,359.0	–	1,359.0
Cost of sales		**(827.6)**	**–**	**(827.6)**	(734.8)	–	(734.8)
Gross profit		**683.6**	**–**	**683.6**	624.2	–	624.2
Other operating costs		**(542.3)**	**(16.4)**	**(558.7)**	(497.4)	(6.7)	(504.1)
Other income	6	**8.1**	**4.5**	**12.6**	3.6	2.5	6.1
Operating profit (EBIT)	8	**149.4**	**(11.9)**	**137.5**	130.4	(4.2)	126.2
Finance income	10	**0.7**	**–**	**0.7**	1.4	–	1.4
Finance cost	10	**(99.9)**	**–**	**(99.9)**	(93.0)	–	(93.0)
Profit before taxation		**50.2**	**(11.9)**	**38.3**	38.8	(4.2)	34.6
Taxation	12	**(14.1)**	**1.8**	**(12.3)**	(6.4)	(0.3)	(6.7)
Profit for the year		**36.1**	**(10.1)**	**26.0**	32.4	(4.5)	27.9
Profit for the year attributable to owners of the parent		**35.5**	**(10.1)**	**25.4**	31.8	(4.5)	27.3
Profit for the year attributable to non-controlling interests		**0.6**	**–**	**0.6**	0.6	–	0.6
Earnings per share (in pence per share)							
– basic	13	**8.8**	**(2.5)**	**6.3**	7.9	(1.1)	6.8
– diluted	13	**8.6**	**(2.4)**	**6.2**	7.7	(1.1)	6.6

The notes on pages 138-163 form an integral part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2024

(£m)	Note	2024	2023
Profit for the year		**26.0**	27.9
Items that may be reclassified to profit or loss in subsequent periods			
Loss on cash flow hedges	23	**(1.5)**	(4.2)
Taxation on cash flow hedges		**0.3**	0.9
Other comprehensive loss for the year		**(1.2)**	(3.3)
Total comprehensive profit for the year, net of tax		**24.8**	24.6
Attributable to:			
Equity holders of the parent		**24.2**	24.0
Non-controlling interests		**0.6**	0.6
		24.8	24.6

The notes on pages 138-163 form an integral part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2024

(£m)	Note	Share capital (Note 22)	Share premium (Note 22)	Capital reserves (Note 22)	Capital redemption reserve (Note 22)	EBT share reserves (Note 22)	Hedging reserve (Note 21)	Retained loss	Equity attributable to owners of the parent	Non-controlling interests (Note 17)	Total equity
As at 1 January 2023		4.0	830.0	376.1	–	–	6.6	(485.7)	731.0	(5.9)	725.1
Profit for the year		–	–	–	–	–	–	27.3	27.3	0.6	27.9
Other comprehensive loss for the year		–	–	–	–	–	(3.3)	–	(3.3)	–	(3.3)
Total comprehensive profit for the year		–	–	–	–	–	(3.3)	27.3	24.0	0.6	24.6
Dividends paid	28	–	–	–	–	–	–	(2.0)	(2.0)	–	(2.0)
Share-based payments	29	–	–	–	–	–	–	3.7	3.7	–	3.7
Deferred tax adjustment on share-based payments reserve		–	–	–	–	–	–	(0.3)	(0.3)	–	(0.3)
Settlement on vested share awards		–	–	–	–	–	–	(0.6)	(0.6)	–	(0.6)
Purchase of own shares by EBT		–	–	–	–	(3.1)	–	–	(3.1)	–	(3.1)
Issue of own shares by EBT in respect of share awards		–	–	–	–	2.4	–	(2.4)	–	–	–
Additional interest acquired of non-controlling interest		–	–	–	–	–	–	(3.2)	(3.2)	3.2	–
Financial liability to acquire non-controlling interests		–	–	–	–	–	–	(9.6)	(9.6)	–	(9.6)
As at 1 January 2024		**4.0**	**830.0**	**376.1**	**–**	**(0.7)**	**3.3**	**(472.8)**	**739.9**	**(2.1)**	**737.8**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**25.4**	**25.4**	**0.6**	**26.0**
Other comprehensive loss for the year		**–**	**–**	**–**	**–**	**–**	**(1.2)**	**–**	**(1.2)**	**–**	**(1.2)**
Total comprehensive profit for the year		**–**	**–**	**–**	**–**	**–**	**(1.2)**	**25.4**	**24.2**	**0.6**	**24.8**
Dividends paid	28	**–**	**–**	**–**	**–**	**–**	**–**	**(8.5)**	**(8.5)**	**–**	**(8.5)**
Dividends paid to non-controlling interests	28	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(0.7)**	**(0.7)**
Share-based payments	29	**–**	**–**	**–**	**–**	**–**	**–**	**4.0**	**4.0**	**–**	**4.0**
Deferred tax adjustment on share-based payments reserve		**–**	**–**	**–**	**–**	**–**	**–**	**0.4**	**0.4**	**–**	**0.4**
Settlement on vested share awards		**–**	**–**	**–**	**–**	**–**	**–**	**(5.4)**	**(5.4)**	**–**	**(5.4)**
Purchase of own shares by EBT		**–**	**–**	**–**	**–**	**(3.1)**	**–**	**–**	**(3.1)**	**–**	**(3.1)**
Issue of own shares by EBT in respect of share awards		**–**	**–**	**–**	**–**	**2.9**	**–**	**(2.9)**	**–**	**–**	**–**
Purchase of ordinary shares for cancellation		**–**	**–**	**–**	**–**	**–**	**–**	**(3.1)**	**(3.1)**	**–**	**(3.1)**
As at 31 December 2024		**4.0**	**830.0**	**376.1**	**–**	**(0.9)**	**2.1**	**(462.9)**	**748.4**	**(2.2)**	**746.2**

The notes on pages 138-163 form an integral part of these financial statements.

Consolidated balance sheet

As at 31 December 2024

(£m)	Note	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	14	**1,663.4**	1,618.8
Intangible assets	15	**437.4**	438.3
Other receivables	23	**4.4**	–
Derivatives	23	**0.4**	0.4
Financial assets	16	**12.3**	10.0
		2,117.9	2,067.5
Current assets			
Financial assets	16	**2.5**	–
Inventories	18	**46.6**	44.3
Trade and other receivables	19	**131.4**	121.6
Derivatives	23	**2.5**	4.0
Cash and cash equivalents	20	**41.2**	49.6
		224.2	219.5
Non-current assets held for sale	21	**1.1**	1.1
		225.3	220.6
Total assets		**2,343.2**	2,288.1
EQUITY AND LIABILITIES			
Equity			
Share capital	22	**4.0**	4.0
Share premium	22	**830.0**	830.0
Capital reserves	22	**376.1**	376.1
Capital redemption reserve	22	**–**	–
EBT share reserves	22	**(0.9)**	(0.7)
Hedging reserve	22	**2.1**	3.3
Retained loss		**(462.9)**	(472.8)
Equity attributable to owners of the parent		**748.4**	739.9
Non-controlling interests	17	**(2.2)**	(2.1)
Total equity		**746.2**	737.8
Non-current liabilities			
Bank borrowings	23	**363.5**	361.9
Lease liabilities	23	**811.0**	793.3
Financial liabilities	24	**–**	9.6
Deferred tax liabilities	25	**80.8**	67.9
		1,255.3	1,232.7
Current liabilities			
Bank borrowings	23	**3.6**	3.4
Lease liabilities	23	**101.8**	98.4
Provisions	26	**14.2**	16.4
Trade and other payables	27	**214.0**	197.1
Financial liabilities	24	**8.0**	–
Income tax payable		**0.1**	2.3
		341.7	317.6
Total liabilities		**1,597.0**	1,550.3
Total equity and liabilities		**2,343.2**	2,288.1

These consolidated financial statements and the accompanying notes were approved for issue by the board on 5 March 2025 and signed on its behalf by:

Justin Ash
Chief Executive Officer

Harbant Samra
Chief Financial Officer

The notes on pages 138-163 form an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2024

(£m)	Note	2024	2023
Cash generated from operations	30	**235.8**	215.6
Tax paid		**(0.1)**	(0.1)
Net cash flows from operating activities		**235.7**	215.5
Cash flows from investing activities			
Receipt from financial asset		**0.7**	0.7
Acquisition of a subsidiary, net of cash acquired		**–**	(73.2)
Purchase of property, plant and equipment		**(109.3)**	(83.9)
Purchase of intangible assets		**(2.8)**	(0.5)
Proceeds on disposal of property, plant and equipment		**11.7**	0.8
Interest received on bank deposits		**0.7**	1.4
Movement in restricted cash		**–**	(2.5)
Net cash used in investing activities		**(99.0)**	(157.2)
Cash flows from financing activities			
Interest paid and other financing costs		**(22.0)**	(17.0)
Interest on lease liabilities		**(76.1)**	(73.0)
Payment of lease liabilities		**(26.2)**	(27.2)
Draw down on revolving credit facility		**5.0**	60.0
Repayment on revolving credit facility		**(5.0)**	(20.0)
Purchase of own shares by EBT		**(3.1)**	(3.1)
Settlement on vested share awards		**(5.4)**	(0.6)
Dividends paid to equity holders of the parent		**(8.5)**	(2.0)
Dividends paid to non-controlling interests		**(0.7)**	–
Purchase of ordinary shares for cancellation		**(3.1)**	–
Net cash used in financing activities		**(145.1)**	(82.9)
Net increase in cash and cash equivalents		**(8.4)**	(24.6)
Cash and cash equivalents at 1 January		**49.6**	74.2
Cash and cash equivalents at 31 December	20	**41.2**	49.6
Adjusting items (Note 11)			
Adjusting items paid included in the cash flow		**(10.4)**	(2.7)
Total pre-tax adjusting items	11	**(11.9)**	(4.2)

The notes on pages 138-163 form an integral part of these financial statements.

Notes to financial statements

For the year ended 31 December 2024

1. General information

Spire Healthcare group plc (the 'company') and its subsidiaries (collectively, the 'group') owns and operates private hospitals and clinics in the UK and provides a range of private healthcare services.

The financial statements for the year ended 31 December 2024 were authorised for issue by the board of directors of the company on 5 March 2025.

The company is a public limited company, which is listed on the London Stock Exchange, incorporated, registered and domiciled in England and Wales (registered number: 09084066). The address of its registered office is 3 Dorset Rise, London, EC4Y 8EN.

2. Accounting policies

The material 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

The consolidated financial statements of the group have been prepared in accordance with UK-adopted International Accounting Standards (UK-adopted IFRS) as issued by the International Accounting Standards Board (IASB) and in accordance with the Companies Act 2006.

The consolidated financial statements have been prepared on a historical cost basis except for derivative financial instruments and financial assets and liabilities measured at fair value. The group financial statements are presented in UK sterling and all values are rounded to the nearest million pounds (£m), except when otherwise indicated.

The preparation of financial statements in accordance with UK-adopted 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. Further details on the group's critical judgements and estimates are included in Note 3.

The group has considered the future potential environmental impact on its current and future financial position and considered the impact to below.

Going concern

The group assessed going concern risk for the period through to 30 June 2026. As at 31 December 2024 the group had cash of £41.2 million and borrowings of £365 million of which £325 million is a senior loan facility and £40 million drawn revolving credit facility (RCF). The group has access to an undrawn revolving credit facility of £60 million. On 3 March 2023, the group exercised the option to extend the senior loan facility and RCF by a further year to February 2027. The financial covenants relating to this agreement are materially unchanged and there have been no modifications to the agreement terms.

The group has undertaken extensive activity to identify plausible risks which may arise and mitigating actions, which in the first instance would include management of working capital and constrained levels of capital investment. Based on the current assessment of the likelihood of these risks arising by 30 June 2026, together with their assessment of the planned mitigating actions being successful, the directors have concluded it is appropriate to prepare the accounts on a going concern basis. In arriving at their conclusion, the directors have also noted that, were these risks to arise in combination, it could result in a liquidity constraint or breach of covenant. However, the risk of this is considered remote.

The group has also assessed, as part of its reverse stress testing, what degree of downturn in trading it could sustain before it breaches its financial covenant. This stress testing was based on flexing revenue downwards with a consistent percentage decline in variable costs, whilst maintaining the forecast of fixed costs. The testing allows for the benefit of mitigating actions that could be taken by management to preserve cash. This testing suggested that there would have to be at least a 30% fall in annual forecast revenue before the group breaches its financial covenant, we believe that the risk of an event giving rise to this size of reduction in revenue is remote.

It should be noted that we remain in a period of material geopolitical and macroeconomic uncertainty. Whilst the directors continue to closely monitor these risks and their plausible impact, their severity is hard to predict and is dependent upon many external factors. Accordingly, the actual financial impact of these risks may materially vary against the current view of their plausible impact.

Further detail on both macroeconomic-related risk is provided in the risk management and internal control section from page 65.

Other specific scenarios covered by our testing were as follows:

- The group is subject to temporary suspension of trade, with a temporary adverse impact on revenue, for example, as a result of a successful cyber-attack on key business systems
- The downside modelling of a number of risks which result in a decline in earnings, including the loss of a contractual relationship with a key insurer
- Significant change in government policy resulting in consultants going on payroll
- Short-term disruption to trade at a sub-set of hospitals owing to an extreme weather event

This review included the following key assumptions:

- No change in capital structure given the group has refinanced its existing senior finance facility and revolving credit facility in February 2022 and exercised the option to extend the senior facility for a further year; and
- The government will not make significant change to its existing policy towards utilising private provision of healthcare services to supplement the NHS

Revenue recognition

The group derives its revenue primarily from providing private healthcare services to both the public sector and private patients in the UK. Revenue from charges to patients is recognised when the treatment is provided.

Revenue from contracts with customers

The criteria for revenue recognition are as follows: identify the contract with the customer, identify the performance obligation, determine the transaction price, allocate the transaction price to the performance obligations, and satisfying the performance obligation. It applies to all contracts with customers, except those in the scope of other standards.

Revenue is recorded as services are transferred to the patient, with the consideration based on the total amount the group expects to receive, taking account of discounts where they are quantifiable and probable. Approximately 65% of the group's revenue is derived from inpatient and day case admissions. Revenue is recognised day-by-day, as services are provided to patients. These services are typically provided over a short time frame, that is, one to three days. Outpatient cases and other revenue represent approximately 35% of the group's revenue. Outpatient cases generally do not involve surgical procedures and revenue is recognised on an individual component basis when performance obligations are satisfied. Similarly, other revenue, which includes consultant revenue, and other third-party revenue streams, is recognised when performance

2. Accounting policies continued

Revenue from contracts with customers continued

continued obligations are satisfied and the control of goods or services is transferred. Outpatient revenue for the primary care business includes rehabilitation, counselling and physiotherapy revenue. Revenue is either recognised over the period to which it relates or where there are multi-year contracts, the revenue is spread over the term of the contract. The majority of outpatient revenue received is under multi-year contracts with the NHS.

The group reports disaggregated revenue by material revenue stream (ie type of payor: PMI, NHS and self-pay) and other revenue which includes consultant revenue, third-party revenue streams (eg pathology services). Material revenue streams are consistent in nature, being the consideration received in return for the provision of healthcare services to patients. The timing and uncertainty of cash flows is similar for PMI and NHS business while self-pay revenue is received in advance or collected by credit card shortly after treatment. In addition, where possible and meaningful, Spire Healthcare reports revenue split between inpatient/day case, outpatient and other. As noted above, in all cases, revenue is recognised as performance obligations are completed in the form of services being provided to patients. Unbilled revenue is accrued at period ends. Invoices for the combination of services provided to patients are generally produced within three days of discharge.

Interest income

Interest is recognised on an effective interest rate basis.

Cost of sales

Cost of sales principally comprises salaries of clinical staff, consultant and clinical fees, medical services and inventories, including drugs, consumables and prostheses.

Other operating costs

Other operating costs mainly comprise non-clinical staff costs, rent associated with short or low-value leases, the depreciation of property, plant and equipment and right-of-use assets and the maintenance and running costs of properties and equipment. It also includes administrative expenses, including the provision of central support services, IT and other administrative costs.

Other income

Other income comprises fair value movements on the financial asset, a profit share arrangement with Genesis Care, and recovery of insurance claims.

Operating profit

Operating profit is the profit arising from the normal, recurring operations of the business and after charging adjusting items, as defined below. Operating profit is adjusted to exclude adjusting items to calculate the key performance indicator (KPI) 'operating profit before adjusting items (adjusted EBIT)'.

Adjusting items

Adjusting items are those items which the directors believe, by virtue of their nature, size or incidence, either individually or in aggregate, should be disclosed separately to allow a full understanding and comparison of the underlying performance of the group. Examples of items which may be considered this way in nature include significant write-downs of goodwill and other assets, restructuring costs relating to strategic review, impairments, hospital closures and set-up costs, business acquisition costs, medical malpractice provisions, aborted project costs and compliance set-up costs.

Taxation, including deferred taxation

Total income tax on the result for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity and other comprehensive income.

The group has applied the mandatory temporary exemption in IAS 12 Income Taxes to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Current tax is the expected tax payable on the taxable result for the year, using tax rates enacted, or substantively enacted, at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Where there is an uncertain tax position, a provision is recognised when it is not probable that the tax authority will accept the uncertain tax position, based on either the most likely amount where the range of results is binary, or as a weighted average of possible outcomes where a range of outcomes is possible.

Deferred tax is provided on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for:

- Goodwill not deductible for tax purposes
- The initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- Investments in subsidiary companies where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future

It should be noted that the initial recognition exception does not apply to the majority of the group's freehold property portfolio as these were acquired through the Bupa and Classics acquisitions in 2007 and 2008, which were accounted for as a business combination.

The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates enacted, or substantively enacted, at the balance sheet date. The group offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In assessing the recoverability of deferred tax assets, the group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased costs as a result of measures to reduce carbon emission.

A deferred tax asset, subject to the offsetting above, is only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be used.

Notes to financial statements continued

2. Accounting policies continued

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Major projects are treated as assets in the course of construction until completed when they are transferred to the appropriate asset class. No depreciation is charged on freehold land or assets in the course of construction. Other assets are depreciated so as to write off the carrying amounts of the assets, less their estimated residual values, over their expected useful lives, as follows:

Freehold property and improvements	– 5 to 60 years
Leasehold improvements	– lower of unexpired lease term or expected life, with a maximum of 35 years
Equipment	– 3 to 10 years

The expected useful lives and residual values of property, plant and equipment are reviewed semi-annually and revised as appropriate. The review of the asset lives and residual values of properties takes into consideration the plans of the business and levels of expenditure incurred on an ongoing basis to maintain the properties in a fit and proper state for their ongoing use as hospitals. In addition, the potential impact of future climate change is considered. In the case of major facilities opening in new locations, depreciation may be applied to only those assets available for use at the official opening date to reflect that the site is not always fully operational at this opening date.

Consolidation

The results of all subsidiary undertakings are included in the consolidated financial statements. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the group ceases to control the subsidiary.

Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if, and only if, the group has:

- Power over the investee (ie existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Employee Benefit Trust (EBT) is treated as an extension of the group and the company.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other operating costs.

The group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill

Goodwill represents the excess of the cost of acquisition (being the fair value of consideration transferred) over the fair value of the assets, liabilities and contingent liabilities of acquired businesses at the date of acquisition. Goodwill is stated at cost less accumulated impairment losses.

Goodwill is allocated to one cash-generating unit or a group of cash-generating units and is not amortised but is tested annually for impairment, or more frequently if there is an indication that the value of the goodwill may be impaired (see impairment policy).

Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset is separable or arises from contractual or other legal rights.

As at 31 December 2024 the intangible assets, other than goodwill are assessed to have finite lives.

Amortisation is recognised so as to write off the cost or carrying amounts of the assets, less their estimated residual values, over their expected useful lives, as follows:

Customer contracts	– 13 to 15 years
IT projects	– 5 years
Mobilisation costs	– in line with relevant customer contract length which is typically between 5 to 10 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

2. Accounting policies continued

Intangible assets other than goodwill continued

Mobilisation costs

Mobilisation costs within intangible assets relate to set-up costs when a new NHS contract is won. These costs are incurred for the benefit of running the contract over its entire term and are classified as intangible assets as these costs are incremental costs of obtaining the contract as determined under IFRS 15. The group's policy is to capitalise these costs and amortise them over the fixed term of the contract on a straight-line basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows. There are no bank overdrafts in either year presented.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets other than derivatives

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss, amortised cost or fair value through other comprehensive income (OCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The company's financial assets include cash and short-term deposits, trade and other receivables, unbilled receivables and receivables from profit share arrangements. Unbilled receivables may include contract assets where the performance obligation has been met, but the invoice not raised due to agreement with the customer being required in respect of the variable consideration. Unbilled receivables can also include amounts where the performance obligation has been met, but the invoice not yet raised due to the timing of the reporting period.

Subsequent measurement

Trade receivables and unbilled receivables are accounted for at amortised cost. The group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. At each reporting period, the group makes an assessment of the asset's recoverable amount based on forward-looking information. Losses arising from impairment are recognised in the consolidated income statement in other operating costs.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. On initial recognition, loans and receivables are measured at fair value plus directly attributable transaction costs. Subsequently, such assets are measured at amortised cost, using the effective interest rate (EIR) method, less any allowance for impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest receivable in the consolidated income statement.

Receivables relating to profit share arrangements are recognised as fair value through profit and loss. At each reporting period, the assets are revalued, with any movement in fair value being recognised in the consolidated income statement. Any cash received from profit share arrangements is presented within cash flows from investing activities within the cash flow statement.

Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired, or the group has transferred its rights to receive cash flows from the asset including transferring substantially all the risks and rewards of the asset.

Impairment

The group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables (including unbilled receivables), contract assets and lease receivables, the group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment. To measure the expected credit losses, trade receivables have been grouped based on shared characteristics and the days past due. The group has concluded that the expected loss rates for trade receivables, are a reasonable approximation of the loss rates for each ageing bucket based on historical debt trends of our portfolio of customers for the last two reporting periods, with the exception of patient debt. Patient debt is more susceptible to the economic environment. As a result, the group has reviewed the expected loss rates for this payor group, as well as considering forward-looking information (specifically the cost of living) and increased the loss rates accordingly.

Notes to financial statements continued

2. Accounting policies continued

Financial Instruments continued

ii) Financial liabilities other than derivatives

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, or at amortised cost. The group determines the classification of financial liabilities at initial recognition.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments.

Subsequent measurement

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in interest receivable and interest payable in the consolidated income statement. Amortised cost is calculated by taking in to account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated income statement.

Financial liabilities to purchase own equity instruments

Financial agreements entered into with non-controlling interests for the future purchase of the remaining interest is recognised as a financial liability measured initially at fair value where there is an obligation on the group to settle a liability. On initial recognition the financial liability is recognised through equity. In subsequent periods, the liability will be measured at amortised cost with changed in the expected cash flows recognised in the income statement. Cash flows are discounted using the weighted average cost of debt.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated income statement.

iii) Derivative financial instruments

The group may enter into derivative financial instrument arrangements to manage its exposure to interest rate risk. Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value at each balance sheet date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The group applies cash flow hedge accounting to such derivatives if the criteria for doing so are met. At the inception of a hedge relationship, the group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The effective portion of the changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Amounts deferred in equity are recycled in the income statement in the periods when the hedged item is recognised, in the same line of the income statement as the recognised hedged item. If cash flow hedge accounting is discontinued, the amount that has been accumulated in the consolidated statement of other comprehensive income is maintained if the hedged future cash flows are still expected to occur. Otherwise, the amount is immediately reclassified to profit or loss as a reclassification adjustment.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost means purchase price, less trade discounts, calculated on an average basis. Net realisable value means estimated selling price less incremental costs including trade discounts and all costs to be incurred in marketing, selling and distribution.

The group holds consignment stock on sale or return. The group is only required to pay for the equipment it chooses to use and therefore this stock is not recognised as an asset.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Provisions

A provision is recognised in the consolidated balance sheet when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected, risk-adjusted, future cash flows at a pre-tax risk-free rate. Management considers its best estimate of the likely outcomes of the obligation when determining the recognition. Where a material range of outcomes could arise, details are disclosed accordingly. Provisions are measured gross of any expected insurance recovery. Any such insurance recoveries are recognised in other receivables when the receipt of them is judged virtually certain.

Leases

i) As a lessee

At inception, the group assesses whether a contract is or contains a lease. This assessment involves the exercise of judgement about whether the group obtains substantially all the economic benefits from the use of that asset, and whether the group has the right to direct the use of the asset when considering whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. After initial recognition, the lease liability is measured at amortised cost using the effective interest method. A reassessment of the lease liability occurs when there is a change in lease payments. The incremental borrowing rate is only revised where the change in payments is a result of a change in floating interest rates, lease term change or a change in assessment relating to the exercise of purchase option charges.

The group has elected not to separate lease and non-lease components for leases of vehicles or buildings.

2. Accounting policies continued

Leases continued

The group recognises a Right-of-Use (ROU) asset and a lease liability at the commencement of the lease. The ROU is initially measured based on the present value of lease payments, less any incentives received. Initial direct costs and costs to dismantle or restore an asset are included. The ROU is depreciated over the shorter of the lease term or the useful life of the underlying asset. The incremental borrowing rate is used to discount the assets over the relevant term. The ROU is subject to testing for impairment if there is an indicator for impairment.

Lease payments generally include fixed payments and variable payments that depend on an index (such as inflation index) or rate. When the lease contains an extension or purchase option that the group considered reasonably certain to be exercised, the cost of the option is included in the lease payments. The incremental borrowing rate is used to discount the lease payments over the term of the lease.

ROU assets are categorised to reflect the nature of the underlying asset and to be consistent with the plant, property and equipment (PPE) note. The assets are depreciated over the term of the lease, accounting for break clauses or options to extend in line with the lease liability decision.

ROU assets are disclosed as PPE on the balance sheet (non-current) with a separate disclosure within the associated note, and the lease liability is included in the headings lease liability (current and non-current) on the Consolidated balance sheet.

The group has elected not to recognise ROU assets and liabilities for leases where the total lease term is less than 12 months, or for leases of low-value equipment. The payments for such leases are recognised in the Consolidated income statement on a straight-line basis over the lease term.

ii) As a lessor

When the group acts as a lessor, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees, over the major part of the economic life of the asset. All other leases are classified as operating leases. If an arrangement contains lease and non-lease components, the group applies IFRS 15 to allocate the consideration in the contract. When the group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately, classifying the sub-lease with reference to the right-of-use asset arising from the head lease instead of the underlying asset.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are deducted from share premium. Where the employee benefit trust purchases the company's equity share capital, the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the company's equity holders in both the company and the consolidated balance sheet until the shares are cancelled or reissued.

Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividend is approved by the company's shareholders. Interim dividends are recognised when paid.

Pensions

The group operates the Spire Healthcare Pension Plan, a defined contribution scheme. The assets of the scheme are held separately from those of the group in independently administered funds.

Obligations for contributions to defined contribution pension schemes are recognised as an expense in the income statement as incurred.

Other employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonuses if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

The group operates a number of equity-settled, share-based payment schemes under which the group receives services from employees as consideration for equity instruments of the group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The group has estimated the relevant fair value of the share options and awards, which are subject to total shareholder return (TSR) market-related performance criteria, using a Monte Carlo simulation model (see Note 29). This applies to LTIP Awards and Deferred Share Bonus Schemes.

The group also operates a Save As You Earn (SAYE) scheme, which is open to all employees. Employees are required to save a fixed amount, up to a cap, every month for three years. At the end of the three-year period employees are entitled to use their savings to purchase shares in the company at a stated exercise price. Employees are free to stop contributing to the scheme and obtain a refund of contributions at any time, but forfeit their entitlement to exercise the options if they do so. Payment of contributions into a SAYE scheme is not a vesting condition; it does not meet the definition of a performance condition because it has no link to service. Failure to meet a non-vesting condition (eg by ceasing to contribute to an SAYE scheme) is accounted for as a cancellation of the options so that the expense is accelerated and recognised in the income statement, with a corresponding adjustment to equity as required. The IFRS 2 charge has been calculated using an adjusted Black Scholes model with judgements including leavers of the scheme (employees who may cease to save) and dividend yields.

At the end of each year, the group revises its estimates of the number of options that are expected to vest based on the non-market conditions and recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Notes to financial statements continued

2. Accounting policies continued

Impairment

The group applies its impairment policy to non-financial assets, being intangible assets (goodwill), plant, property and equipment, and right-of-use assets. The group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU)'s fair value less costs of disposal or its value-in-use. The recoverable amounts is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired, and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and risks specific to the asset. As part of this, the group assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. The group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared for each CGU. The forecasts generally cover a five-year period. A long-term growth rate is calculated and applies to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated income statement in other operating costs. Impairment is likely to be considered an adjusting item.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Changes in accounting policy and estimates

New standards, interpretations and amendments applied

The following amendments to existing standards were effective for the group from 1 January 2024. Other than some additional disclosures, these amendments have not had a material impact.

	Effective date*
Amendments to IAS 1 – Classification of liabilities as current or non-current	1 January 2024
Amendments to IAS 1 – Non-current liabilities with covenants	1 January 2024
Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements	1 January 2024
Amendments to IFRS 16 – Lease liability in a sale and leaseback	1 January 2024

* The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations that are consistent with the endorsement process for use in the UK.

New standards, interpretations and amendments in issue, but not yet effective

As at date of approval of the group financial statements, the following new and amended standards, interpretations and amendments in issue are applicable to the group but not yet effective and thus, have not been applied by the group:

	Effective date*
Amendments to IFRS 9 and IFRS 7 – Amendments to the classification and measurement of financial instruments	1 January 2026
IFRS 18 – Presentation and disclosure in financial statements	1 January 2027

* The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations. As the group prepares its financial statements in accordance with IFRS as issued by the IASB as endorsed by the UK, the application of new standards and interpretations will result in an effective date subject to that agreed by the UK Endorsement process.

We are in the process of assessing the impact of the above on the presentation of and disclosure in the financial statements.

3. Critical accounting judgements and estimates

In the application of the group's accounting policies, the directors are required to make judgements and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgements

Adjusting items

Judgements are required as to whether items that are material in size, unusual or infrequent in nature should be disclosed as adjusting items. Deciding which items meet the respective definitions requires the group to exercise its judgement. Details of these items categorised as adjusting items are outlined in Note 11.

Leases

The application of IFRS 16 requires the group to make certain judgements which affect the value of the ROU asset and lease liability, and these include: determining contracts in the scope of IFRS 16 and the contract term.

3. Critical accounting judgements and estimates continued

Leases continued
The lease term is determined by the group and includes the non-cancellable period of lease contracts, periods covered by an option to extend the lease if the group is reasonably certain to exercise that option and period covered by an option to terminate the lease if the group is reasonably certain not to exercise that option. The group reviews the business plan, investment in leasehold improvements and market conditions when considering the certainty of options to extend or terminate. For lease contracts with an indefinite term, the group determines the length of the contract to be equal to the average or typical market contract term of the particular type of lease. The same life is then applied to determine the depreciation rate of ROU assets.

Significant accounting estimates

The preparation of the group's consolidated financial statements includes the use of estimates and assumptions. The significant accounting estimates with a significant risk of a material change to the carrying value of assets and liabilities within the next year in terms of IAS 1, 'Presentation of Financial Statements', are:

Goodwill

Goodwill is tested for impairment at least annually or more frequently if there is an indication that goodwill may be impaired. This is achieved by comparing the carrying value in the accounts with the recoverable amount (being the value-in-use), as set out in the impairment policy. The value-in-use calculations require the group to estimate future cash flows expected to arise in the future, taking into account market conditions. The current value of goodwill is underpinned by these forecasts. The present value of these cash flows is determined using an appropriate discount rate.

The assumptions are considered to be most critical in reviewing goodwill for impairment are contained in note 15.

Property impairment

Property, including property ROU assets, is considered for indicators of impairment at each reporting date, or earlier if a trigger indicates, as set out in the impairment policy. The recoverable amount, being the value-in-use, requires the group to estimate cash flows expected to arise in the future, taking into account market conditions. The variables in the cash flows are interdependent and reflect management's expectations based on past experience and current market trends, it takes into account both current business and committed initiatives. The present value of these cash flows is determined using an appropriate discount rate.

The assumptions are considered to be most critical in reviewing properties for impairment are contained in note 14.

Other areas of accounting estimates

The consolidated financial statements include other areas of judgement and accounting estimates. While these areas do not meet the definition under IAS 1 of significant accounting estimates and critical accounting judgements, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or are subject to longer-term uncertainties. The other areas of accounting estimates and judgement are:

Leases

The present value of the lease payment is determined using the discount factor (incremental borrowing rate) which is based on a risk free UK gilt rate plus an applicable credit spread or margin to reflect the credit standing of the group observed in the period when the lease contract commences or is modified. The incremental borrowing rate applied reflects a rate for a similar term and security to that of the lease and is determined at inception.

Details of incremental borrowing rates can be found in note 23.

Expected credit losses

The group has not changed the methodology in respect of the expected credit loss (ECL) calculations. The group's customer profile includes large organisations that have stable credit ratings, and the payment profiles have remained stable for historical debts. The exception to this is patient debt where economic circumstances can have a significant impact and, given the current economic uncertainty, remains the highest risk for the group. The ECL as at December 2024 is £6.2 million (December 2023: £5.5 million). See note 19.

Provisions for medical malpractice

The provision was established by Spire Healthcare in respect of implementing the recommendations of the Independent Inquiry including a detailed patient review and support for patients of Paterson. The provision is utilised for patient claim settlements. The variables include the number of patients which are found to have been harmed and the associated compensation claim. The project is complex and the process for settlement of claims, where relevant, takes some time. It is possible that, as further information becomes available, an adjustment to this provision will be required, but at this time, it reflects management's best estimate of the costs and settlement of claims. This provision remains subject to ongoing review.

Details of the provision can be found in note 26.

Climate-related risk and opportunities on the financial statements

To date, the board has not identified any climate-related risks or opportunities that would have a material impact on the assets or liabilities of the group, and therefore has not adjusted financial balances for climate-related risks or opportunities.

4. Revenue

All revenue is attributable to, and all non-current assets are located in, the United Kingdom.
Revenue by location (inpatient, day case or out-patient) and wider customer (payor) group is shown below:

(£m)	2024			2023		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Inpatient	**548.0**	**–**	**548.0**	535.5	–	535.5
Day case	**426.6**	**0.6**	**427.2**	399.9	–	399.9
Outpatient	**388.1**	**120.2**	**508.3**	365.4	31.4	396.8
Other[1]	**27.5**	**0.2**	**27.7**	26.8	–	26.8
Total revenue	**1,390.2**	**121.0**	**1,511.2**	1,327.6	31.4	1,359.0
Insured	**662.4**	**1.6**	**664.0**	615.7	0.8	616.5
Self-pay	**332.9**	**8.0**	**340.9**	344.0	7.8	351.8
NHS	**367.4**	**80.8**	**448.2**	341.1	14.9	356.0
Other[1]	**27.5**	**30.6**	**58.1**	26.8	7.9	34.7
Total revenue	**1,390.2**	**121.0**	**1,511.2**	1,327.6	31.4	1,359.0

1. Other revenue includes fees paid to the group by consultants (eg for the use of group facilities and services) and third-party revenue (eg pathology services to third parties).

Group revenues increased 11.2% to £1,511.2 million (2023: £1,359.0 million). Hospitals business revenue has increased by 4.7% to £1,390.2 million (2023: £1,327.6 million), driven by the demand for private healthcare and our expansion into Primary Care. Overall revenue growth is underpinned by increased average revenue per case (APRC) for all payor groups Revenue for primary care is £121.0 million (2023: £31.4 million), with the majority of this from Vita Health Group, which was acquired in October 2023.

Notes to financial statements continued

5. Segmental reporting

In determining the group's operating segments, management has primarily considered the financial information in internal reports that are reviewed and used by the executive management team and board of directors (who together are the chief operating decision maker of Spire Healthcare) in assessing performance and in determining the allocation of resources. The financial information in those internal reports in respect of revenue and expenses has led management to conclude that the group has three operating segments, being the hospitals business, Vita Health Group and The Doctors Clinic Group.

The hospitals business is the group's core business activity and consists of hospitals, clinics, medical centres and consulting rooms. They provide diagnostics, inpatient, day case and outpatient care in areas including orthopaedics, gynaecology, cardiology, neurology, oncology and general surgery.

We have aggregated Vita Health Group and The Doctors Clinic Group into one reportable segment called primary care, as they meet the aggregation criteria under IFRS 8 operating segments. These entities all have similar economic characteristics such as offering similar services and have a similar type of customer. These services being primarily focused on the primary care needs of outpatients, whether these services are GP services, occupational health services or mental and physical health services.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The balance sheet is evaluated on a group level.

(£m)	2024			2023		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Revenue	1,390.2	121.0	1,511.2	1,327.6	31.4	1,359.0
Cost of sales	(748.4)	(79.2)	(827.6)	(714.3)	(20.5)	(734.8)
Gross profit	641.8	41.8	683.6	613.3	10.9	624.2
Other operating costs	(519.2)	(39.5)	(558.7)	(492.4)	(11.7)	(504.1)
Other Income	12.6	–	12.6	6.1	–	6.1
Segmental operating profit (EBIT)	135.2	2.3	137.5	127.0	(0.8)	126.2

Finance income, finance costs and taxes are not allocated to individual segments as these are managed on an overall group basis. Reconciliation of segment operating profit to group profit for the year:

(£m)	2024	2023
Segment operating profit (EBIT)	137.5	126.2
Finance income	0.7	1.4
Finance costs	(99.9)	(93.0)
Profit before taxation	38.3	34.6
Taxation	(12.3)	(6.7)
Profit for the year	26.0	27.9

Operating profit is arrived at after charging:

(£m)	2024			2023		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Depreciation of property, plant and equipment and right-of-use assets	106.4	1.6	108.0	102.6	0.4	103.0
Amortisation of intangible assets	1.6	2.6	4.2	–	0.6	0.6
Lease payments made in respect of low value and short leases	16.6	3.8	20.4	16.9	1.7	18.6
Staff costs	494.4	73.0	567.4	456.6	18.5	475.2

The total pre-tax adjusting items is £11.9 million (2023: £4.2 million) of which £8.1 million (2023: £4.2 million) relate to the hospitals business and £3.8 million (2023: Nil) relate to primary care.

6. Other income

(£m)	2024	2023
Fair value movement on financial asset	4.8	2.8
Realised profit in respect of financial asset	1.0	0.8
Fair value movement on financial liability	1.6	–
Profit on disposal of hospital (adjusting items) (see note 11)	4.5	–
Profit on disposal of property, plant and equipment	0.7	–
Settlement from an insurer (adjusting items) (see note 11)	–	2.5
Total other income	12.6	6.1

The fair value movement in respect of the financial asset was recognised to reflect the on-going profit share arrangement with Genesis Care which arose as part of the sale of the Bristol Cancer Centre in 2019. Profits of £1.0 million (2023: £0.8 million) have been realised in respect of this arrangement. The fair value movement on financial liability relates to the change in cash flows relating to the financial instruments held to purchase own equity instruments.

7. Auditor's remuneration

During the year, the group (including its subsidiary undertakings) obtained the following services from the group's external auditor as detailed below:

(£m)	2024	2023
Audit of these financial statements	1.3	1.2
Audit of the financial statements of subsidiaries of the company pursuant to legislation	0.4	0.3
Audit-related assurance services	0.2	0.1
Total	1.9	1.6

Notes to financial statements continued

8. Operating profit
Arrived at after charging/(crediting):

(£m)	2024	2023
Depreciation of property, plant and equipment (see note 14)	67.0	65.5
Depreciation of right-of-use assets (see note 14)	41.0	37.5
Amortisation of intangible assets (see note 15)	4.2	0.6
Acquisition-related transaction costs (adjusting item) (see note 11)	–	2.5
Lease payments made in respect of low value and short leases	20.4	18.6
Provision related to Ian Paterson (adjusting item) (see note 11)	4.6	2.5
Movement on the provision for expected credit losses of trade receivables (see note 19)	1.0	0.5
(Profit)/loss on disposal of property, plant and equipment	–	(0.3)
Staff restructuring costs (see note 9)	4.3	2.0
Staff costs (net of staff restructuring costs and including share-based payment charge) (see notes 9 and 29)	567.4	475.2

Inventory recognised as an expense in the current year is disclosed in Note 18.

9. Staff costs

(No.)	2024	2023
The average number of persons employed by the group (including directors) during the year:		
Clinical	9,248	7,455
Non-clinical	6,021	5,514
Central	972	776
Total	16,240	13,745

(No.)	2024	2023
The average number of full-time equivalent persons employed by the group during the year:		
Clinical	7,004	5,831
Non-clinical	4,655	4,349
Central	848	695
Total	12,507	10,875

The aggregate payroll costs of these persons were as follows:

(£m)	2024	2023
Wages and salaries	476.3	398.7
Social security costs	46.9	38.9
Pension costs, defined contribution scheme	44.3	35.9
Aggregate payroll costs excluding share based payments	567.5	473.5
Share based payment charge	4.2	3.7
Aggregate payroll costs	571.7	477.2

There were £1.4 million wages and salaries and social security costs for year ended 31 December 2024 in Adjusting items (2023: £1.6 million) of which £0.7 million relate to business restructuring costs and which are included in staff costs (2023: £1.0 million), and are set out in note 8.

Pension costs are in respect of the defined contribution scheme; unpaid contributions at 31 December 2024 were £4.8 million (2023: £3.7 million).

10. Finance income and costs

(£m)	2024	2023
Finance income		
Interest income on bank deposits	0.7	1.4
Total finance income	0.7	1.4
Finance cost		
Interest on bank facilities	22.3	18.5
Amortisation of fee arising on facilities extensions/borrowing costs[1]	1.5	1.5
Interest on obligations under leases	76.1	73.0
Total finance costs	99.9	93.0
Total net finance costs	99.2	91.6

1. £5.0 million of borrowing costs were capitalised on the refinancing of the senior facility, these are being amortised over the life of the facility.

11. Adjusting items

(£m)	2024	2023
Asset acquisitions, disposals and aborted project costs	(2.8)	3.1
Business reorganisation and corporate restructuring costs	4.3	2.0
Remediation of regulatory compliance or malpractice costs	6.9	(0.9)
Clinic set up costs	1.9	–
Amortisation on acquired intangible assets	1.6	–
Total pre-tax adjusting items	11.9	4.2
Income tax (credit) / charge on adjusting items	(1.8)	0.3
Total post-tax adjusting items	10.1	4.5

11. Adjusting items continued

Adjusting items comprise those matters where the directors believe the financial effect should be adjusted for, due to their nature, size or incidence, in order to provide a more accurate comparison of the group's underlying performance.

Asset acquisitions, disposals, impairment and aborted project credit of £2.8 million includes a profit of £4.5 million relating to the sale of the group's Tunbridge Wells hospital to Maidstone and Tunbridge Wells NHS Trust ('Trust') for £9.975 million. Refer to disposal note 35 for more details. In addition, there is £0.6 million of integration and other acquisition costs relating to the VHG acquisition and £0.6 million true up to provision on the DCG and Claremont acquisitions.

In the prior year, costs of £3.1 million mainly relate to asset acquisitions of Vita Health Group Limited and The Doctors Clinic Group.

Business reorganisation and corporate restructuring relates to the group announcement of a strategic, group-wide initiative in H2 of 2021 that will enable a more efficient business operating model, including leveraging digital solutions and technology. As a result of this initiative, additional costs of £3.5 million (2023: £2.0 million) have been incurred in the period, bringing costs to date of £9.3 million. This initiative is being implemented over several phases and is likely to be materially completed during 2026, as communicated at our capital markets event in April 2024. Future costs are not disclosed, as a reliable estimate cannot be made due to the nature of the matter. £0.7 million has been incurred in respect of restructuring costs relating to the The Doctors Clinic Group.

Remediation of regulatory compliance or malpractice costs reflect an increase in the provision in June 2024 of £4.6 million (2023: £2.5 million). The provision was established by Spire Healthcare in respect of implementing the recommendations of the Independent Inquiry including a detailed patient review and support for patients of Paterson. The project is complex, and the process for review and settlement of claims, where relevant, takes some time. The detailed patient review has now reached the milestone of having contacted all living patients and invited them, where appropriate, to consultations to discuss their care. As a consequence, the rate of new claims has dropped significantly, as most patients now have the outcomes of their review and have initiated their claim, where relevant. Claims activity in the second half of the year has therefore been in line with the assumptions taken by management and the provision established at the half year. As a result, there has been no subsequent increase in the provision. In addition, £1.7 million of legal fees have been incurred for the ongoing inquests. While it is possible that, as further information becomes available, an adjustment to this provision will be required, at this time it reflects management's best estimate of the costs and settlement of claims.

In the prior year the group has recognised a credit of £0.9 million in respect of Remediation of Regulatory Compliance or Malpractice Costs relating to Paterson. This comprised £2.5 million funds received from its insurer and £0.9 million reduction in provision which had been held to resolve the matter. This was offset by an increased separate provision in respect of Paterson by £2.5 million.

Clinic set up costs relate to costs incurred for the set-up of the Abergele and Harrogate clinics prior to opening. The clinic in Abergele opened in February 2024 and Harrogate in January 2025.

£0.9 million of amortisation on acquired intangible assets related to the customer contracts recognised on the acquisition of VHG in October 2023.

12. Taxation

(£m)	2024	2023
Current tax		
UK corporation tax expense	**0.7**	0.9
Adjustments in respect of prior years	**(1.0)**	(1.3)
Total current tax credit	**(0.3)**	(0.4)
Deferred tax		
Origination and reversal of temporary differences	**10.3**	10.0
Adjustments in respect of prior years	**2.3**	(2.9)
Total deferred tax charge	**12.6**	7.1
Total tax charge	**12.3**	6.7

In addition to the above, a credit of £0.3 million has been recognised in Other Comprehensive income (2023: £0.9 million credit) and £0.4 million credit (2023: £0.3 million credit) through equity. The £0.4 million credit through equity relates to movements on share-based payments, and reflects a £0.5 million deferred tax charge, offset by a current tax credit of £0.9 million.

Corporation tax is calculated at 25.0% (2023: 23.5%) of the estimated taxable profit or loss for the year. The effective tax rate on profit before taxation for the year is 32.1%. The effective tax rate is higher than the UK rate, due to the impact of prior year adjustments and non-deductible items. Excluding the adjustments to prior years in 2024, the effective tax rate is 28.1%.

The effective tax assessed for the year, all of which arises in the UK, differs from the standard weighted rate of corporation tax in the UK. The reconciliation of the actual tax charge to that at the domestic corporation tax rate is as follows:

(£m)	2024	2023
Profit before taxation	**38.3**	34.6
Tax at the standard rate	**9.6**	8.1
Effects of:		
Expenses and income not deductible or taxable	**1.1**	3.2
Adjustment for movement on share-based payments	**0.3**	–
Tax adjustment for the super-deduction allowance	**–**	(0.8)
Adjustments in respect of prior year	**1.3**	(4.2)
Difference in tax rates	**–**	0.2
Deferred tax not previously recognised	**–**	0.2
Total tax charge	**12.3**	6.7

Expenses and income not deductible or taxable relate mostly to depreciation on non-qualifying fixed assets, disallowable entertaining, and legal and professional fees.

The current year and prior year charges are driven by expenses not deductible for tax purposes, adjustments to prior year and the movement on share-based payments.

The group does not hold any uncertain tax positions under IFRIC 23 at the year-end (2023: none).

Notes to financial statements continued

12. Taxation continued

Pillar Two Legislation, reflecting the OECDs Base Erosion Profit Shifting ('BEPs') framework is effective for periods beginning 1 January 2024. The group continues to only operate in the UK. Based on the group's assessment, the Pillar Two effective tax rates continue to be above 15% and therefore, the group does not expect an exposure to Pillar Two top-up taxes.

13. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	2024	2023
Profit for the year attributable to ordinary equity holders of the parent (£m)	**25.4**	27.3
Weighted average number of ordinary shares for basic EPS (No.)	**403,991,639**	404,117,249
Adjustment for weighted average number of shares held in EBT	**(498,516)**	(468,363)
Weighted average number of ordinary shares in issue (No.)	**403,493,123**	403,648,886
Basic earnings per share (in pence per share)	**6.3**	6.8

For dilutive EPS, the weighted average number of ordinary shares in issue is adjusted to include all dilutive potential ordinary shares arising from share options. Refer to the remuneration committee report for the terms and conditions of instruments generating potential ordinary shares that affect the measurement of diluted EPS.

	2024	2023
Profit for the year attributable to ordinary equity holders of the parent (£m)	**25.4**	27.3
Weighted average number of ordinary shares in issue (No.)	**403,493,123**	403,648,886
Adjustment for weighted average number of contingently issuable shares	**7,900,003**	9,494,645
Diluted weighted average number of ordinary shares in issue (No.)	**411,393,127**	413,143,531
Diluted earnings per share (in pence per share)	**6.2**	6.6

The directors believe that EPS excluding adjusting items (adjusted EPS) better reflects the underlying performance of the business and assists in providing a clearer view of the performance of the group.

Reconciliation of profit after taxation to profit after taxation excluding adjusting items (adjusted profit):

	2024	2023
Profit for the year attributable to owners of the parent (£m)	**25.4**	27.3
Adjusting items (see Note 11)	**10.1**	4.5
Adjusted profit (£m)	**35.5**	31.8
Weighted average number of ordinary shares in issue	**403,493,123**	403,648,886
Weighted average number of dilutive ordinary shares	**411,393,127**	413,143,531
Adjusted basic earnings per share (in pence per share)	**8.8**	7.9
Adjusted diluted earnings per share (in pence per share)	**8.6**	7.7

14. Property, plant and equipment

(£m)	Freehold property	Leasehold improvements	Equipment	Assets in the course of construction	Right-of-use (ROU)	Total
Cost:						
At 1 January 2023	850.2	180.4	455.3	30.2	873.9	2,390.0
Additions	7.2	12.1	42.3	22.3	–	83.9
Acquisition of a subsidiary	–	–	1.3	–	1.3	2.6
Additions to ROU assets	–	–	–	–	14.7	14.7
Adjustments to existing assets (eg indexation)	–	–	–	–	36.7	36.7
Disposals	(0.7)	(2.4)	(21.6)	(0.4)	(0.1)	(25.2)
Transfers	3.7	13.3	9.9	(26.9)	–	–
At 1 January 2024	**860.4**	**203.4**	**487.2**	**25.2**	**926.5**	**2,502.7**
Additions	**8.9**	**14.8**	**52.9**	**32.7**	**–**	**109.3**
Additions to ROU assets	**–**	**–**	**–**	**–**	**15.1**	**15.1**
Adjustments to existing assets (eg indexation)	**–**	**–**	**–**	**–**	**36.9**	**36.9**
Disposals	**(1.3)**	**(9.6)**	**(84.0)**	**–**	**(2.4)**	**(97.3)**
Transfer	**1.2**	**15.9**	**0.7**	**(17.8)**	**–**	**–**
At 31 December 2024	**869.2**	**224.5**	**456.8**	**40.1**	**976.1**	**2,566.7**
Accumulated depreciation and impairment:						
At 1 January 2023	198.2	60.1	291.8	–	255.5	805.6
Charge for the year	12.2	9.8	43.5	–	37.5	103.0
Disposals	(0.6)	(2.4)	(21.6)	–	(0.1)	(24.7)
Transfers	(0.2)	–	0.2	–	–	–
At 1 January 2024	**209.6**	**67.5**	**313.9**	**–**	**292.9**	**883.9**
Charge for the year	**12.3**	**10.6**	**44.1**	**–**	**41.0**	**108.0**
Disposals	**(1.2)**	**(4.9)**	**(82.3)**	**–**	**(0.2)**	**(88.6)**
At 31 December 2024	**220.7**	**73.2**	**275.7**	**–**	**333.7**	**903.3**
Net book value:						
At 31 December 2024	**648.5**	**151.3**	**181.1**	**40.1**	**642.4**	**1,663.4**
At 31 December 2023	650.8	135.9	173.3	25.2	633.6	1,618.8

The net book value of land is £156.3 million (2023: £156.3 million). Nine of the group's freehold properties are pledged as security against the senior finance facility, the net book value of these properties are £120.0 million (2023: £124.0million). There were no borrowing costs capitalised during the year ended 31 December 2024 (2023: Nil). The fair value of freehold properties is £1.4 billion.

Notes to financial statements continued

14. Property, plant and equipment continued

On the 31 March 2024, the Group sold its Tunbridge Wells Hospital business to Maidstone and Tunbridge Wells NHS Trust for £9.975 million and derecognised property, plant and equipment of £6.2 million. As part of the sale agreement, the group has entered into a sub lease agreement with the trust to lease the Tunbridge Wells property (refer to note 23). A right of use asset of £2.4 million was derecognised and a finance lease receivable of £4.4 million was recognised. The finance lease receivable represents the cash flows receivable from the trust to settle the lease obligation in the head lease. Refer to note 23 for more details.

Impairment testing

The directors consider property and property right-of-use assets for indicators of impairment semi-annually. As equipment and leasehold improvements do not generate independent cash flows, they are considered alongside the property as a single cash-generating unit (CGU). When making the assessment, the value-in-use of the property is compared with its carrying value in the accounts. Where headroom is significant, no further work is undertaken. Where headroom is minimal, a detailed assessment is performed for the property, which includes identifying the factors resulting in limited headroom and undertaking financial forecasts to assess the level of sensitivity this has to key assumptions.

In order to estimate the value-in-use, management has used trading projections covering the period to December 2029 from the most recent board approved strategic plan. The variables in the cash flows are interdependent and reflect management's expectations based on past experience and current market trends, it takes into account both current business and committed initiatives. To the extent that there was a shortfall between the recent actual cash flows and forecast, the future cash flows have been adjusted to reflect any initiatives implemented by management to address the underlying cause. In addition, management consider the potential financial impact from short-term climate change scenarios, and the cost of initiatives that have substantially commenced by the group to manage the longer-term climate impacts.

Key assumptions

Management identified a number of key assumptions relevant to the value-in-use calculations, being EBITDA growth over the five-year period, capital maintenance spend, discount rates and long-term growth rates. The assumptions are based on past experience and external sources of information.

The trading projections for the five-year period underlying the value-in-use reflect a growth in EBITDA. EBITDA is based on a number of elements of the operating model over the longer term, including pricing trends, volume growth and the mix and complexity of procedures and assumptions regarding cost inflation.

Management has performed a sensitivity analysis on these properties using reasonably possible changes for each key assumption, keeping all other assumptions constant. The sensitivity analysis included an assessment of the break-even point for each of the key assumptions.

The sensitivity analysis identified two properties that a reasonably possible change would eliminate the headroom of the property. One property with a headroom of £9.1 million is sensitive to the EBITDA growth over the five year period as it, would result in the elimination of headroom. The average annual EBITDA growth over the five years is 11.4%. The annual EBITDA over the five year period would have to decrease by 5.8% per annum to eliminate the headroom. Another property with a headroom of £3.4 million is sensitive to the discount rate which would need to increase by 155bps to result in the elimination of the headroom.

During the 2023 financial year, the group moved to a post IFRS 16 discount rate, the group has used a pre-tax discount rate of 11.2% (2023: 11.5%).

A long-term growth rate of 2.0% has been applied to cash flows beyond 2029 based on a long-term view of inflation, revenue growth and market conditions. Capital maintenance spend is based on historic run rates and our expectations of the group's requirements. The sensitivity testing identified no reasonably possible changes in the discount rate, capital maintenance and long-term growth rates that would cause the carrying amount of any CGU to exceed its recoverable amount.

As a result, management believe that some of the key impairment review assumptions constitute a major source of estimation uncertainty as they consider that there is a significant risk of a material change to its estimate of these assumptions within the next 12 months.

Right-of-use (ROU) assets

(£m)	Leasehold property	Equipment and motor vehicles	Total
Cost:			
At 1 January 2023	849.8	24.1	873.9
New leases entered	4.3	10.4	14.7
Acquisition of a subsidiary	1.3	–	1.3
Adjustments to existing assets (eg indexation)	36.7	–	36.7
Disposals	–	(0.1)	(0.1)
At 1 January 2024	**892.1**	**34.4**	**926.5**
New leases entered	**4.4**	**10.7**	**15.1**
Adjustments to existing assets (eg indexation)	**36.9**	**–**	**36.9**
Disposals	**(2.2)**	**(0.2)**	**(2.4)**
At 31 December 2024	**931.2**	**44.9**	**976.1**
Accumulated depreciation and impairment:			
At 1 January 2023	248.0	7.5	255.5
Charge for year	31.8	5.7	37.5
Disposals	–	(0.1)	(0.1)
At 1 January 2024	**279.8**	**13.1**	**292.9**
Charge for the year	**34.4**	**6.6**	**41.0**
Disposals	**–**	**(0.2)**	**(0.2)**
At 31 December 2024	**314.2**	**19.5**	**333.7**
Net book value:			
At 31 December 2024	**617.0**	**25.4**	**642.4**
At 31 December 2023	612.3	21.3	633.6

15. Intangible assets

(£m)	Goodwill	Customer contracts	IT projects	Mobilisation costs	Total
Cost or valuation:					
At 1 January 2023	546.8	–	–	–	546.8
Acquisition of a subsidiary	65.3	20.6	4.3	2.4	92.6
Additions	–	–	0.3	0.2	0.5
At 31 December 2023	612.1	20.6	4.6	2.6	639.9
Acquisition of a subsidiary	**0.5**	**–**	**–**	**–**	**0.5**
Additions	**–**	**–**	**2.1**	**0.7**	**2.8**
At 31 December 2024	**612.6**	**20.6**	**6.7**	**3.3**	**643.2**
Accumulated amortisation and impairment:					
At 1 January 2023	201.0	–	–	–	201.0
Amortisation charge during the year	–	0.2	0.3	0.1	0.6
At 31 December 2023	201.0	0.2	0.3	0.1	201.6
Amortisation charge during the year	**–**	**1.9**	**1.6**	**0.7**	**4.2**
At 31 December 2024	**201.0**	**2.1**	**1.9**	**0.8**	**205.8**
Carrying amount:					
At 31 December 2024	**411.6**	**18.5**	**4.8**	**2.5**	**437.4**
At 31 December 2023	411.1	20.4	4.3	2.5	438.3

Impairment testing

The directors treat the hospitals business, Vita Health Group and The Doctors Clinic Group as separate cash-generating units for the purposes of testing goodwill for impairment as the goodwill can be reliably allocated. The recoverable amount of goodwill is calculated by reference to its estimated value-in-use. In order to estimate the value-in-use, management has used trading projections covering the period to December 2029 from the most recent board-approved budget. The variables in the cash flows are interdependent and reflect management's expectations based on past experience and current market trends, it takes into account both current business and committed initiatives. In addition, management consider the potential financial impact from short-term climate change scenarios, and the cost of initiatives by the group to manage the longer-term climate impacts.

Key assumptions

Management identified a number of key assumptions relevant to the value-in-use calculations, being EBITDA growth over the five-year period, capital maintenance spend, discount rates and long-term growth rates. The assumptions are based on past experience and external sources of information.

The table below provides the resulting headroom as determined in our calculation.

	Goodwill £m	Headroom £m
Hospitals business	**334.6**	**1,136.2**
Vita Health Group ('VHG')	**65.9**	**68.0**
The Doctors Clinic Group ('DCG')	**11.1**	**0.5**

The trading projections for the five-year period underlying the value-in-use reflect a growth in EBITDA. EBITDA is dependent on a number of elements of the operating model over the longer term, including pricing trends, volume growth and the mix and complexity of procedures and assumptions regarding cost inflation.

The group has used a pre-tax post discount rate of 11.2% (2023: 11.5%).

A long-term growth rate of 2.0% has been applied to cash flows beyond 2029 based on long-term view of inflation and market conditions. Capital maintenance spend is based on historic run rates and our expectation of the group's requirements.

Management has performed a sensitivity analysis using reasonably possible changes for each key assumption, keeping all other assumptions constant. The sensitivity testing for the hospitals business and Vita Health Group identified no reasonably possible changes would cause the carrying amount of any CGU to exceed its recoverable amount.

The Doctors Clinic Group is a younger maturity CGU and, during the year, made a small loss owing to the effect of integration costs and one-off investments in new clinics and infrastructure. The growth rates used in the five-year period are based on the return from this investment and integration with Vita Health Group and the wider group, therefore management have determined there is no impairment. However owing to these factors uncertainty exists in the key assumptions and we have determined that reasonable possible changes exists which could lead to an impairment.

The value in use calculation uses an average EBITDA growth over the five-year period of 61.8%. A change in the three key assumptions would result in the elimination of the headroom, being an increase of 78bps in the pre-tax discount rate and a decrease in the average EBITDA growth rate to 58.3% resulting in a decrease of 5.7% per annum over the five year period and a decrease of 42bps in the long-term growth rate.

A reasonable possible change in the three key assumptions that would result in the recognition of an impairment would be a decrease in the average EBITDA growth rate to 30.9% resulting in a decrease of 50.0% per annum over the five year period this would result in an impairment of £3.4 million. In addition, an increase of 230bps in the pre-tax discount rate would result in a £0.8 million impairment and a decrease of 1.0% in the long-term growth rate would lead to a £0.7 million impairment. The capital maintenance assumption did not identify a reasonable possible change.

As a result, management believe that some of the key impairment review assumptions constitute a major source of estimation uncertainty as they consider that there is a significant risk of a material change to its estimate of these assumptions within the next 12 months.

16. Financial assets

Financial assets of £14.8 million (2023: £10.0 million) consist of a £12.3 million (2023: £7.5 million) profit share arrangement and a prepayment of the Montefiore option to purchase the remaining 25% interest of £2.5 million (2023: £2.5 million). The prepayment of the Montefiore option to purchase is classified as current as the option has been exercised after the year end. Refer to note 24 for further information relating to the non-controlling interest option.

On 31 October 2019, the group entered into a profit share arrangement with Genesis Care. The agreement provides the group with an entitlement to a gross profit share relating to the chemotherapy business transferred to Genesis Care as part of the sale of the Bristol Cancer Centre in perpetuity. Under the agreement after the ten-year anniversary of the agreement, the buyer (Genesis Care) may exit the arrangement by serving notice and paying a multiple of ten times the gross margin in the preceding 12 months.

Notes to financial statements continued

16. Financial assets continued

The group has recognised a financial asset in respect of this gross profit share and the asset is classed as a fair value through profit and loss asset. The financial asset is valued using the expected present value technique – method 2 in determining the fair value. Management uses forward looking and historical trends of gross profits, growth rate, risk premium and an appropriate discount rate to determine the fair value. At the inception of the transaction we applied a risk premium to the fair value of the asset reflecting the fact that it was a new venture and so any future forecast cashflows contained an element of uncertainty. This risk premium has been reduced over time and reflects our growing confidence in the operation's ability to hit its future forecasts. Sensitivities are also taken into account when reviewing the fair value.

This valuation is reviewed at each reporting date, with movements in fair value being recognised through the consolidated income statement. Cash received is adjusted against the financial asset, and is included within cash flows from investing activities on the consolidated statement of cash flows.

(£m)	2024	2023
Valuation at 1 January	**7.5**	4.6
Cash receipt	**(1.0)**	(0.8)
Fair value adjustments	**5.8**	3.7
Carrying amount at 31 December	**12.3**	7.5

Management completes relevant sensitivities on the inputs when assessing the fair value.

With all other inputs remaining constant:

- A 1.2% increase (decrease) in the discount rate used, would see a decrease (increase) in fair value of £1.0 million (£1.3 million) (2023: 1.2% increase (decrease) £0.8 million (£0.6 million))
- A 20% increase (decrease) in the forecast annual cash flow of £0.19 million (2023: £0.16 million), would see an increase (decrease) in fair value of £2.3 million (£2.3 million) (2023: £1.4 million (£1.4 million)).

17. Subsidiary undertakings and non-controlling interest

As at 31 December 2024, these consolidated financial statements of the group comprise the company and the following companies, most of which are incorporated in, and whose operations are conducted in, the United Kingdom. All subsidiaries are 100% owned unless otherwise indicated.

Incorporated in England and Wales and registered at 3 Dorset Rise, London, EC4Y 8EN, unless otherwise stated	Principal activity	Class of share
Claremont Hospital Holdings Limited	Holding company	Ordinary
Claremont Hospital LLP[!]	Health provision	N/A
Classic Hospitals Group Limited[#]	Holding company	Ordinary
Classic Hospitals Limited[#]	Non-trading company	Ordinary
Classic Hospitals Property Limited	Property company	Ordinary
Didsbury MSK Limited[°]	Health provision	Ordinary
Fox Healthcare Acquisitions Limited	Leasing company	Ordinary
Lifescan Limited[#]	Non-trading company	Ordinary
Spire Occupational Health Limited	Health provision	Ordinary
Medicainsure Limited	Non-trading company	Ordinary
Montefiore House Limited[+]	Health provision	Ordinary
SHC Holdings Limited[#]	Holding company	Ordinary
Soma Health Limited	Health provision	Ordinary
Spire Cambridge (Disposal) Limited[#]	Non-trading company	Ordinary
Spire Fertility (Disposal) Limited[#]	Non-trading company	Ordinary
Spire Healthcare (Holdings) Limited	Holding company	Ordinary
Spire Healthcare Finance Limited*	Holding company	Ordinary
Spire Healthcare Holdings 1[&#]	Holding company	Ordinary
Spire Healthcare Property Developments Limited	Development company	Ordinary
Spire Healthcare Holdings 2 Limited#	Holding company	Ordinary
Spire Healthcare Limited	Health provision	Ordinary
Spire Healthcare Properties Limited	Property company	Ordinary
Spire Property 1 Limited	Property company	Ordinary
Spire Property 4 Limited	Property company	Ordinary
Spire Property 5 Limited	Property company	Ordinary
Spire Property 6 Limited	Property company	Ordinary
Spire Property 13 Limited	Property company	Ordinary
Spire Property 16 Limited	Property company	Ordinary
Spire Property 18 Limited	Property company	Ordinary
Spire Property 19 Limited	Property company	Ordinary
Spire Property 23 Limited	Property company	Ordinary
Spire Thames Valley Hospital Limited[#]	Non-trading company	Ordinary
Spire Thames Valley Hospital Propco Limited	Property company	Ordinary
Spire UK Holdco 4 Limited	Holding company	Ordinary
The Doctors Clinic Group Ltd	Holding company and health provision	Ordinary
The London Doctors Clinic Ltd	Non-trading company	Ordinary
Kingfisher Topco Limited	Holding company	Ordinary
Kingfisher Midco Limited	Holding company	Ordinary
Kingfisher Bidco Limited	Holding company	Ordinary
Vita Health Group Limited	Health provision	Ordinary
Crystal Palace Physio Holdings Limited	Holding company	Ordinary
Vita Health Solutions Limited	Health provision	Ordinary
Pennine MSK Partnership Limited	Health provision	A Ordinary & B Ordinary
Physio For All Limited	Health provision	Ordinary
Physiotherapy2fit Ltd	Health provision	A Ordinary & B Ordinary
Physiotherapy Specialists Ltd	Health provision	Ordinary
The Abbey Clinic Limited	Health provision	Ordinary
The Bisham Abbey Knee Clinic Limited	Health provision	Ordinary
Vita Health Wellness Limited	Health provision	Ordinary

° Ownership interest is 51.0%.
+ Ownership interest is 75.1%.
* Direct shareholding of the company.
& Spire Healthcare Holdings 1 is an undertaking with unlimited liability.
! The LLP has 'Members' capital classified as equity' in lieu of 'Class of shares'.
In liquidation and expected to be dissolved during 2025.

17. Subsidiary undertakings and non-controlling interest continued

In 2021, in order to simplify the structure of the group and reduce costs, the group undertook a process in which a number of companies within the group were identified for members' voluntary liquidation. The entities in members' voluntary liquidation at year end are shown above and they are expected to be formally dissolved at Companies House during 2025.

Non-controlling interest

Financial information of subsidiaries that have a material non-controlling interest is provided below. The entities, as set out above, are Montefiore House Limited and Didsbury MSK Limited. In 2023, Spire Healthcare acquired an additional 24.9% interest in Montefiore House Limited, and now owns 75.1% of this entity. The accumulated interest relating to Montefiore has therefore been reclassified to retained earnings.

Accumulated balances of material non-controlling interest:

(£m)	Montefiore House Limited	Didsbury MSK Limited	Total
Accumulated balances of non-controlling interest at 1 January 2023	(6.4)	0.5	(5.9)
Profit allocated to non-controlling interests	–	0.6	0.6
Recycled loss for non-controlling interest purchased by parent	3.2	–	3.2
Accumulated balances of material non-controlling interest at 31 December 2024	**(3.2)**	**1.1**	**(2.1)**
Profit allocated to non-controlling interests	**0.3**	**0.3**	**0.6**
Dividends paid to non-controlling interests	**–**	**(0.7)**	**(0.7)**
Accumulated balances of non-controlling interest at 31 December 2024	**(2.9)**	**0.7**	**(2.2)**

Within the entities, the most material assets and liabilities relate to right of use assets and lease liabilities in respect of property. Except for the lease rental payments, the majority of cash flows are generated through operations. In 2023, the group entered into an agreement with the non-controlling interest of Montefiore House Limited, in which both parties can exercise an option for Spire to purchase the remaining 25% interest in the subsidiary at a future date. The purchase price is calculated in line with pre-determined metrics which are based on the subsidiary's EBITDA performance and the group multiple.

Guarantees with group undertakings for the year ended 31 December 2024

Spire Healthcare Group plc agreed to provide a guarantee, in the course of ordinary business to the below subsidiaries to take exemption from having their financial statements audited under section 479A to 479C of the Companies Act 2006. The guarantee to these subsidiaries is to guarantee outstanding liabilities, including contingent and prospective liabilities, for the financial year ended 31 December 2024. In respect to this guarantee, it is judged to be remote that any cash outflow will arise.

Subsidiary	Companies house registration number
Spire Healthcare Properties Limited	01829406
Spire Healthcare Property Developments Limited	08996103
Claremont Hospital Holdings Limited	08534235
Spire Thames Valley Hospital Propco Limited	06480375
Fox Healthcare Acquisitions Limited	06487777
Classic Hospitals Property Limited	05389607
Spire UK Holdco 4 Limited	06342689
Spire Property 1 Limited	06408718
Spire Property 4 Limited	06408872
Spire Property 5 Limited	06408908
Spire Property 6 Limited	06408930
Spire Property 13 Limited	06409008
Spire Property 16 Limited	06409066
Spire Property 18 Limited	06409117
Spire Property 19 Limited	06409119
Spire Property 23 Limited	06409139
Pennine MSK Partnership Limited	06598870
Physio For All Limited	04467367
Physiotherapy2fit Ltd	07780826
The Abbey Clinic Limited	06611658
The Bisham Abbey Knee Clinic Limited	10265025

18. Inventories

(£m)	2024	2023
Prostheses, drugs, medical and other consumables	**46.6**	44.3

Cost of sales for the year ended 31 December 2024 includes inventories recognised as an expense amounting to £275.1 million (2023: £265.0 million).

19. Trade and other receivables

(£m)	2024	2023
Amounts falling due within one year:		
Trade receivables	**83.1**	74.8
Unbilled receivables	**22.2**	20.2
Prepayments	**26.1**	21.9
Other receivables	**6.2**	10.2
	137.6	127.1
Allowance for expected credit losses	**(6.2)**	(5.5)
Total current trade and other receivables	**131.4**	121.6

Unbilled receivables reflects work in progress where a patient had treatment, or was receiving treatment, at the end of the period and the invoice had not yet been raised.

Other receivables of £6.2 million includes £4.3 million insurance reimbursement right (2023: £4.6 million); and £1.3 million (2023: £4.1 million) reimbursement right related to the Paterson fund.

The Paterson fund is being held by solicitors on account until payments are made, with any amount not paid out being returned to Spire Healthcare. During the year, £4.7 million was paid out of this fund and an additional £1.4 million was paid into the fund. The amounts paid to the Paterson fund do not reflect an investment in a financial asset, but merely a right to reimbursement should the fund not be utilised in full.

Notes to financial statements continued

19. Trade and other receivables continued

Trade receivables comprise amounts due from private medical insurers, the NHS, self-pay patients, consultants and other third parties who use the group's facilities. Invoices to customers fall due within 60 days of the date of issue.

The group was successful in its bid to be included on the NHSE Framework for purchasing additional activity from the independent sector, which commenced in April 2021. Inclusion on the framework is at an agreed price for activity, based on the NHS tariff, but carries no guaranteed volumes. For contracts under the framework that include an estimated contract value, billing is in advance for the expected volume, with a quarterly true-up for actual volumes undertaken. For contracts under the framework without an estimated contract value (which can include local agreements), billing is in arrears based on actual volumes only.

The ageing of trade receivables is shown below and shows amounts that are past due at the reporting date (excluding payments on account where there is no right to offset these at the reporting date). A provision for expected credit losses has been recognised at the reporting date through consideration of the ageing profile of the group's trade receivables and the perceived credit quality of its customers reflecting net debt due. The carrying amount of trade receivables, net of expected credit losses, is considered to be an approximation to its fair value.

The loss allowance as at 31 December 2024 for trade receivables was determined as follows:

	Current	0-30 days	31-90 days	91-364 days	1-2 years	Total
Expected loss rate	**1.0%**	**3.9%**	**42.9%**	**57.6%**	**33.9%**	**5.6%**
Gross debt (£m)	**81.8**	**17.8**	**2.1**	**3.3**	**5.6**	**110.6**
Less payments on account (£m)	**–**	**–**	**–**	**–**	**–**	**(27.5)**
Carrying amount of trade receivables (£m)						**83.1**
Loss allowance (£m)	**0.8**	**0.7**	**0.9**	**1.9**	**1.9**	**6.2**

The loss allowance as at 31 December 2023 for trade receivables was determined as follows:

	Current	0-30 days	31-90 days	91-364 days	1-2 years	Total
Expected loss rate	0.0%	2.7%	16.3%	29.0%	41.9%	5.1%
Gross debt (£m)	75.3	14.8	4.3	6.2	6.2	106.8
Less payments on account (£m)	–	–	–	–	–	(32.0)
Carrying amount of trade receivables (£m)						74.8
Loss allowance (£m)	–	0.4	0.7	1.8	2.6	5.5

Trade receivables are written off when there is no longer a reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the group, and failure to make contractual payments for a period of greater than two years past due.

The group assesses on a forward-looking basis expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied for trade receivables is the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables.

Trade receivables after expected credit losses comprise the following wider customer/payor groups:

(£m)	2024	2023
Private medical insurers	**31.1**	29.5
NHS	**30.7**	25.0
Patient debt	**6.0**	4.1
Other	**9.1**	10.7
	76.9	69.3

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(£m)	2024	2023
At 1 January	**5.5**	5.0
Provided in the year	**2.0**	1.6
Utilised during the year	**(0.3)**	(0.3)
Released during the year	**(1.0)**	(0.9)
At 31 December	**6.2**	5.5

The group applies the IFRS 9 simplified approach to measuring Expected Credit Losses (ECLs) for trade receivables. Under this standard, lifetime ECL provisions are recognised for trade receivables using a matrix of rates dependent on age thresholds and customer types. The ECL rates are determined with reference to historical performance of each payor age group during the last two years.

To develop the ECL matrix, trade receivables were grouped according to shared characteristics (payor/payor type) and the days past due. As the majority of the group's debt is receivable from large, well-funded insurance companies, the National Health Service or from a large number of individuals, the group has concluded that historical debt performance of the portfolio during the last two reporting periods provides a reasonable approximation of the future expected loss rates for each payor age category.

20. Cash and cash equivalents

(£m)	2024	2023
Cash at bank	**33.8**	20.7
Short-term deposits	**7.4**	28.9
	41.2	49.6

Cash and cash equivalents comprise cash balances, short-term deposits and other short-term highly liquid investments (including money market funds) with maturities not exceeding three months placed with investment grade counterparties which are subject to an insignificant risk of change in value.

21. Non-current assets held for sale

As at 31 December 2024 the group's management have committed to sell a parcel of land at Bostocks Lane as the group has accepted an offer on the property. The sale is considered highly probable and the assessment has not changed. It therefore remains as classified as held for sale.

(£m)	2024	2023
Bostocks Lane (East Midlands Cancer Centre)	**1.1**	1.1

22. Share capital and reserves

	2024	2023
Authorised shares		
Ordinary share of £0.01 each	**402,751,824**	404,126,630
	402,751,824	404,126,630

	2024		2023	
	£0.01 ordinary shares		£0.01 ordinary shares	
	Shares	£'000	Shares	£'000
Issued and fully paid				
At 1 January	**404,126,630**	**4,042**	404,108,470	4,041
Issued during the year	**13,943**	**–**	18,160	1
Cancelled during the year	**(1,388,749)**	**(14)**	–	–
At 31 December	**402,751,824**	**4,028**	404,126,630	4,042

Share premium

(£m)	2024	2023
At 1 January	**830.0**	830.0
Issue of new shares	**–**	–
At 31 December	**830.0**	830.0

Capital reserves
This reserve represents the loans of £376.1 million due to the former ultimate parent undertaking and management that were forgiven by those counterparties as part of the reorganisation of the group prior to the IPO in 2014.

Capital redemption reserve
During the year, the group announced a share buyback programme, the company redeemed 1,388,749 shares with a nominal value of £0.01 per share, resulting in a transfer of £13,887 from distributable profits to the Capital redemption reserve.

EBT share reserves
Equiniti Trust (Jersey) Limited is acting in its capacity as trustee of the company's Employee Benefit Trust (EBT). The purpose of the EBT is to further the interests of the company by benefitting employees and former employees of the group and certain of their dependants. The EBT is treated as an extension of the group and the company.

During the year, the EBT purchased 1,312,000 shares and transferred 1,235,976 (2023: 1,339,634 shares acquired and 1,054,620 transferred) in order to settle share awards in relation to the directors' share bonus award and Long-Term Incentive Plan.

Where the EBT purchases the company's equity share capital the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. As at 31 December 2024, 388,184 shares (2023: 312,160) were held by the EBT in relation to the directors' share bonus award and Long-Term Incentive Plan. The EBT share reserve represents the consideration paid when the EBT purchases the company's equity share capital, until the shares are reissued.

As with prior years, the company will continue to fund the Spire Healthcare Employee Benefit Trust (EBT), a discretionary trust held for the benefit of the group's employees, for the ongoing acquisition of shares to satisfy the exercise of share plan awards by employees.

	2024		2023	
	(£m)	(Number of shares)	(£m)	(Number of shares)
At 1 January	**0.7**	**312,160**	–	27,146
Purchased	**3.1**	**1,312,000**	3.1	1,339,634
Exercised	**(2.9)**	**(1,235,976)**	(2.4)	(1,054,620)
At 31 December	**0.9**	**388,184**	0.7	312,160

Hedging reserve
The balance of £2.1 million at 31 December 2024 (2023: £3.3 million) reflects the £4.3 million debit (2023: £4.4 million debit) recycled in the period, the fair value credit of £2.8 million (2023: £0.2 million credit) and the £0.3 million tax credit on the profit (2023: £0.9 million credit) to give a net movement of a decrease of £1.2 million during the year (2023: a decrease of £3.3 million) on a hedged transaction. See note 23 for further information.

23. Borrowings
The group has borrowings in two forms, bank borrowings and lease liabilities as disclosed on the consolidated balance sheet. Total borrowings at 31 December 2024 were £1,279.9 million (2023: £1,257.0 million). More detail in respect of these two forms of borrowings are set out below.

Bank borrowings
The bank loans are secured on fixed and floating charges over both the present and future assets of material subsidiaries of the group. On 24 February 2022, the group successfully refinanced its debt facilities with a syndicate of existing and new lenders. The arrangement has a maturity of February 2027. The financial covenants relating to this new agreement are materially unchanged. The loan is non-amortising and carries interest at a margin of 2.05% over SONIA (2023: 2.05% over SONIA).

(£m)	2024	2023
Amount due for settlement within 12 months	**3.6**	3.4
Amount due for settlement after 12 months	**363.5**	361.9
Total bank borrowings	**367.1**	365.3

Terms and debt repayment schedule
The maturity date is the date on which the relevant bank loans are due to be fully repaid.

The carrying amounts drawn (after issue costs and including interest accrued) under facilities in place at the balance sheet date were as follows:

(£m)	Maturity	Margin over SONIA	2024	2023
Senior finance facility	February 2027	2.05%	**327.1**	325.3
Revolving credit facility	February 2027	1.95%	**40.0**	40.0

23. Borrowings continued

Terms and debt repayment schedule continued

Net debt for the purposes of the covenant test in respect of the Senior Loan Facility was £323.8 million (2023: £315.4 million) and the net debt to EBITDA ratio was 2.0x (2023: 2.2x). The net debt for covenant purposes comprises the senior facility of £325.0 million, drawn revolving credit facility of £40.0 million less cash and cash equivalents of £41.2 million. EBITDA for covenant purposes comprises Adjusted EBITDA for Last Twelve Months (LTM) of pre-IFRS 16 Adjusted EBITDA of £171.1 million (2023: £152.9 million) less the rental of a finance lease pre-IFRS 16 of £10.4 million (2023: £10.0 million).

The interest cover for covenant purposes was 7.5x (2023: 8.5x) and is calculated as the pre-IFRS 16 EBITDA described above over pre-IFRS 16 finance costs paid.

The senior finance facility includes a sustainability-linked element connected to environmental and quality factors. The group also has access to a further £60.0 million through a committed and undrawn revolving credit facility to February 2027.

Effect of covenants

The group's non-current bank borrowings include borrowings amounting to £365.0 million that contain covenants, which, if not met, would result in the borrowings becoming repayable on demand. These borrowings are otherwise repayable more than 12 months after the end of the reporting period. The financial covenants are tested by reference to the most recent consolidated financial statements of the group, namely, 30 June and 31 December each year. The financial covenants are for the leverage ratio to be below 4.0x and interest cover to be in excess of 4.0x. As at 31 December 2024, the group complied with all covenants as the leverage measure stood at 2.0x and interest cover of 7.5x and therefore bank borrowings remain classified as non-current liabilities. The group is not aware of any circumstances in which there will be a breach in financial covenants.

Lease liabilities

The group has finance in respect of hospital properties, vehicles, office and medical equipment. The leases are secured on fixed and floating charges over both the present and future assets of material subsidiaries in the group. Leases, with a present value liability of £912.8 million (2023: £891.7 million), expire in various years to 2046 and carry incremental borrowing rates in the range 3.2% – 14.6% (2023: 3.1% – 14.6%). Rents in respect of hospital property leases are reviewed annually with reference to RPI or CPI, subject to assorted floors and caps. The discount rates used are calculated on a lease by lease basis, and are based on estimates of incremental borrowing rates. A movement in the incremental borrowing rate of 1% would result in an 7.5% movement in lease liability.

In the year, the group recognised charges of £3.4 million (2023: £3.8 million) of lease expenses relating to low value leases and £17.0 million (2023: £14.8 million) of lease expense in respect of short-term leases for which the exemption under IFRS 16 has been taken. Lease commitments for short term leases are not dissimilar to the expense recognised. The total cash outflow for leases is £122.7 million (2023: £118.8 million). The group has not made any variable lease payments in the year. The group is a lessor to one lease to external parties and has recognised a finance lease receivable of £4.4 million (2023: Nil). The terms of the sublease are the same as those contained in the head-lease. There have been no (2023: no) sale and leaseback transactions in the year. Where new leases have the right to extend and management is not reasonably certain to exercise the extension option, those future cash flows are not reflected in the lease liability balance. If the option to extend was exercised the lease liability would increase by £239 million.

During the year the group sold its Tunbridge Wells Hospital business to Maidstone and Tunbridge Wells NHS Trust. As part of the sale agreement, the group has entered into a sub lease agreement with the trust to lease the Tunbridge Wells property. The finance lease receivable represents the cash flows receivable from the trust to settle the lease obligation in the head lease.

Some leases receive RPI increases on an annual basis which affects both the cash flow and interest charged on those leases. Except for this increase, cash flows and charges are expected to remain in line with current year. The cash flows above do not reflect any termination, extension or break clause options as management is reasonably certain that the options will not be exercised. There are no significant restrictions or covenants which impact the cash flows in respect of these leases.

See note 14 for more detail on the depreciation of the right-of-use (ROU) assets and note 10 for more detail on the interest expense relating to leases.

Changes in bank borrowings and lease liabilities arising from financing activities

(£m)	1 January	Cash flows	Non cash changes[1]	Additions[2]	31 December
2024					
Bank loans	**365.3**	**(22.0)**	**23.8**	**–**	**367.1**
Lease liabilities	**891.7**	**(102.3)**	**76.1**	**47.3**	**912.8**
Total	**1,257.0**	**(124.3)**	**99.9**	**47.3**	**1,279.9**

(£m)	1 January	Cash flows	Non cash changes[1]	Additions[2]	31 December
2023					
Bank loans	324.3	(17.0)	18.0	40.0	365.3
Lease liabilities	866.5	(100.2)	73.0	52.4	891.7
Total	1,190.8	(117.2)	91.0	92.4	1,257.0

1. Non-cash changes reflect interest charged on the loan.
2. Additions include both new leases entered into, indexation of existing leases and acquisitions of subsidiaries.

Derivatives

The following derivatives were in place at 31 December:

	Interest rate	Maturity date	Notional amount	Carrying value Asset
31 December 2024 (£m)				
Interest rate swaps	**2.7780%**	**Feb 2026**	**162.5**	**2.9**
31 December 2023 (£m)				
Interest rate swaps	2.7780%	Feb 2026	243.8	4.4

(£m)	2024	2023
Amount due for settlement within 12 months	**2.5**	4.0
Amount due for settlement after 12 months	**0.4**	0.4
Total derivatives asset	**2.9**	4.4

The group entered into interest rate swaps on the 25 July 2022. The movement in respect of derivatives reflects £4.3 million (2023: £4.4 million) recycled in the period and a £2.8 million credit (2023: £0.2 million credit) in fair value. All movements are reflected within other comprehensive income.

24. Financial liabilities

Financial instruments to purchase non-controlling interest

In 2023 the group entered into an agreement with the non-controlling interest of one of its subsidiaries, Montefiore House Limited, in which both parties can exercise an option for Spire Healthcare to purchase the remaining 25% interest in the subsidiary at a future date. On 21 February 2025, Brighton Orthopaedic and Sports Injury Clinic Limited (BOSIC) formally notified Spire Healthcare of the intention to exercise their option.

The purchase price is calculated in line with pre-determined metrics which are based on the subsidiary's EBITDA performance and the group multiple. The option can be exercised between two to five years. The expected future cash flow to settle the obligation is discounted at the group cost of debt of 8.1%. The financial liability is initially recognised through equity at the present value of future cash flows and subsequently recognised at amortised cost.

(£m)	2024	2023
Valuation at 1 January	**9.6**	–
Movement in financial liability	**(1.6)**	–
Option to purchase non-controlling interests	**–**	9.6
Valuation at 31 December	**8.0**	9.6

25. Deferred tax

(£m)	Property, plant and equipment	Intangible	IFRS 16 leases – spreading	IFRS 16	Share-based payments	Losses	Provisions and other temporary differences	Total
At 1 January 2023	78.0	–	(45.2)	33.0	(4.0)	(6.2)	0.6	56.2
(Credit)/charge to the profit or loss	7.2	–	2.3	1.4	(0.6)	–	(0.3)	10.0
(Credit)/charge to other comprehensive income and equity	–	–	–	–	0.5	–	(0.9)	(0.4)
Adjustment in respect of prior year	0.3	–	–	–	–	–	(3.2)	(2.9)
Recognised on acquisition	1.1	5.0	–	–	–	(1.1)	–	5.0
At 1 January 2024	**86.6**	**5.0**	**(42.9)**	**34.4**	**(4.1)**	**(7.3)**	**(3.8)**	**67.9**
(Credit)/charge to the profit or loss	**6.4**	**(0.4)**	**2.4**	**0.8**	**(0.1)**	**–**	**1.2**	**10.3**
(Credit)/charge to other comprehensive income and equity	**–**	**–**	**–**	**–**	**0.5**	**–**	**(0.2)**	**0.3**
Adjustment in respect of prior year	**0.6**	**–**	**–**	**–**	**(0.1)**	**0.2**	**1.6**	**2.3**
At 31 December 2024	**93.6**	**4.6**	**(40.5)**	**35.2**	**(3.8)**	**(7.1)**	**(1.2)**	**80.8**
Disclosed within liabilities	**93.6**	**4.6**	**(40.5)**	**35.2**	**(3.8)**	**(7.1)**	**(1.2)**	**80.8**

Deferred tax on property, plant and equipment has arisen on differences between the carrying value of the relevant assets and the tax base.

On the acquisition of Vita Health Group, a deferred tax asset has been recognised for losses as they are expected to be available for utilisation across the wider group from the fifth anniversary of the acquisition date. In addition, a deferred tax liability has been recognised in respect of fixed assets. On acquisition, the group has recognised an intangible asset in respect of customer contracts. A deferred tax liability of £5 million was recognised in the prior year and is unwinding in line with amortisation of the intangible in future years.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted, or substantively enacted, at the balance sheet date. The group has separately calculated the tax rates applicable in respect of adjusting items for the period. Deferred tax in the current period continues to be measured at 25%.

Deferred tax assets are recognised on the basis that the deferred tax liabilities represent forecast profits of the appropriate type (either capital or trading) and therefore represent a suitable taxable profit against the reversal of the deferred tax assets can be offset. Deferred tax assets and liabilities in relation to property are only offset to the extent that they relate to the same site.

The group has unrecognised deferred tax assets (which do not expire) as follows:

	2024		2023	
(£m)	Gross	Tax effected	Gross	Tax effected
Trading losses	**10.4**	**2.6**	11.7	2.6
Tax basis for future capital disposals	**11.6**	**2.9**	11.6	2.9
Total	**22.0**	**5.5**	23.3	5.5

These amounts are the expected tax value of the gross temporary difference at the enacted long-term tax rate of 25% (2023: 25%). A deferred tax asset has not been recognised in respect of these amounts due to uncertainties as to the timing of future profits that the trading losses could be offset against and tax basis for capital disposals could be utilised.

26. Provisions

(£m)	Medical malpractice	Business restructuring and other	Total
At 1 January 2024	**15.1**	**1.3**	**16.4**
Increase in existing provisions	**4.6**	**0.8**	**5.4**
Provisions utilised	**(6.5)**	**(0.2)**	**(6.7)**
Provisions released	**–**	**(0.9)**	**(0.9)**
At 31 December 2024	**13.2**	**1.0**	**14.2**

Medical malpractice relates to estimated liabilities arising from claims for damages in respect of services previously supplied to patients. During the period £4.6 million was added due to additional claims received, and £6.5 million utilised. Amounts are shown gross of insured liabilities. Any such insurance recoveries of £4.3 million (December 2023: £4.6 million) are recognised in other receivables.

Notes to financial statements continued

26. Provisions continued

In response to the publication of the public inquiry report on Paterson on 4 February 2020, Spire Healthcare established a provision in respect of implementing the recommendations including a detailed patient review and support for patients. Since inception of the provision in 2021 £13.1 million has been utilised in settlement of patient claims. The provision to complete the reviews, settle any claims and costs in respect of other Paterson items has been increased by £4.6 million as reported in June 2024.

The provision was established by Spire Healthcare in respect of implementing the recommendations of the independent inquiry including a detailed patient review and support for patients of Paterson. The project is complex and the process for review and settlement of claims, where relevant, takes some time. The detailed patient review has now reached the milestone of having contacted all living patients and invited them, where appropriate, to consultations to discuss their care. As a consequence, the rate of new claims has dropped significantly, as most patients now have their outcomes of their review and have initiated their claim, where relevant. Claims activity in the second half of the year has therefore been in line with the assumptions taken by management and the provision established at the half year. As a result there has been no subsequent increase in the provision. In addition, £1.7 million of legal fees have been incurred for the ongoing inquests. While it is possible that, as further information becomes available, an adjustment to this provision will be required, at this time it reflects management's best estimate of the costs and settlement of claims.

As at 31 December 2024, the business restructuring and other provisions primarily includes dilapidation provisions for the primary care business. During the year the group released its provision related to acquisition tax matters other than income tax as the relevant tax years have closed for review.

Provisions as at 31 December 2024 are materially considered to be current and expected to be utilised at any time within the next twelve months, subject to external factors beyond the group's control.

27. Trade and other payables

(£m)	2024	2023
Trade payables	**84.9**	63.9
Accrued expenses	**53.8**	65.9
Deferred income	**10.5**	10.4
Social security and other taxes	**18.4**	15.2
Other payables	**46.4**	41.7
Trade and other payables	**214.0**	197.1

Accrued expenses includes general operating expenses incurred but not invoiced as at the year end, as well as holiday pay accrued of £2.1 million (2023: £2.1 million), and bonuses accrued during the year and paid during the following year of £5.3 million (2023: £12.7 million). Deferred income of £10.5 million relates to contract revenue of VHG.

Other payables include an accrual for pensions and payments on account. Revenue is not recognised in respect of payments on account until the performance obligation has been met at year end the balance of payments on account was £2.4 million (2023: £10.3 million). In addition other credit balances re-classed from trade debtors were £38.1 million (2023: £32.0 million), which largely relate to NHS credits. Payments on account are expected to be utilised against patient procedures within the following 12 months. The balance of payments on account as at 31 December 2023 were utilised in the current year when the patient attended the procedure, and not cancelling or deferring treatment, such payments on account could result in repayment to the patient should they request so.

28. Dividends

(£m)	2024	2023
Final dividend for the year ended 31 December 2022 (0.5 pence per share)	**–**	2.0
Final dividend for the year ended 31 December 2023 (2.1 pence per share)	**8.5**	–
Dividend paid to non-controlling interests	**0.7**	–
Total dividends paid	**9.2**	2.0

Since the end of the financial year, the directors have proposed a final dividend of approximately 2.3 pence per share. The dividend is subject to approval by shareholders at the Annual General Meeting and is therefore not included in the balance sheet as a liability at 31 December 2024.

29. Share-based payments

The group operates a number of share-based payment schemes for executive directors and other employees, all of which are equity settled.

The group has no legal or constructive obligation to repurchase or settle any of the options in cash. The total cost in respect of LTIPs and SAYE recognised in the income statement was £4.2 million in the year ended 31 December 2024 (2023: £3.7 million). Employer's national insurance is being accrued, where applicable, at the rate of 14.3%, which management expects to be the prevailing rate at the time the options are exercised, based on the share price at the reporting date. The total national insurance charge for the year was £0.5 million (2023: £0.4 million).

The following table analyses the total cost between each of the relevant schemes, together with the number of options outstanding:

	2024		2023	
	Charge £m	Number of options (thousands)	Charge £m	Number of options (thousands)
Long Term Incentive Plan	**3.3**	**11,643**	3.0	12,394
Deferred Share Bonus Plan	**–**	**531**	–	449
Save As You Earn (SAYE)	**0.7**	**2,957**	0.7	3,252
Cash-settled Long Term Incentive Plan	**0.2**	**–**	–	–
	4.2	**15,131**	3.7	16,095

A summary of the main features of the scheme is shown below:

Long Term Incentive Plan

The Long Term Incentive Plan (LTIP) is open to executive directors and designated senior managers, and awards are made at the discretion of the remuneration committee. Awards are subject to market and non-market performance criteria.

Awards granted under the LTIP vest subject to achievement of performance conditions measured over a period of at least three years, unless the committee determines otherwise. Awards may be in the form of conditional share awards or nil-cost options or any other form allowed by the plan rules.

Vesting of awards will be dependent on a range of financial, operational or share price measures, as set by the committee, which are aligned with the long-term strategic objectives of the group and shareholder value creation. No less than 30% of an award will be based on share price measures. The remainder will be based on

29. Share-based payments continued

Long Term Incentive Plan continued

either financial and/or operational measures. At the threshold performance, no more than 25% of the award will vest, rising to 100% for maximum performance.

On 14 March 2022, the company granted a total of 3,097,060 options to the executive directors and other senior management. The options will vest based on return on capital employed (ROCE) (35%) targets for the financial year ending 31 December 2024, relative total shareholder return (TSR) (35%) targets on performance over the three-year period to 31 December 2024 and operational excellence (OE) (30%) targets based on employee engagement targets and regulatory ratings for the current portfolio of hospitals, subject to continued employment. Upon vesting, the options will remain exercisable until March 2032. The executive directors are subject to a two-year holding period, whilst other senior management are not.

On 15 March 2023, the company granted a total of 2,980,384 options to the executive directors and other senior management. The options will vest based on return on capital employed (ROCE) (35%) targets for the financial year ending 31 December 2025, relative total shareholder return (TSR) (35%) targets on performance over the three-year period to 31 December 2025 and operational excellence (OE) (30%) targets based on employee engagement targets and regulatory ratings for the current portfolio of hospitals, subject to continued employment. Upon vesting, the options will remain exercisable until March 2033. The executive directors are subject to a two-year holding period, whilst other senior management are not.

On 14 March 2024, the company granted a total of 2,054,599 options to the executive directors and other senior management. The options will vest based on return on capital employed ('ROCE') (35%) targets for the financial year ending 31 December 2026, relative total shareholder return ('TSR') (20%) targets over the three year period to 31 December 2026, EBITDA margin (15%) targets for the financial year ending 31 December 2026 for the Company's Hospital Business and operational excellence ('OE') (30%) targets based on employee engagement targets and regulatory ratings for the current portfolio of hospitals (including The Doctors Clinic Group, but excluding new clinics that open during the performance period and Vita Health Group). The options are subject to continued employment and, upon vesting, will remain exercisable until March 2034. The executive directors are subject to a two-year holding period.

On 14 March 2024, the company also granted a total of 235,231 options to senior management. These options will vest based on return on capital employed ('ROCE') (35%) targets for the financial year ending 31 December 2026, relative total shareholder return ('TSR') (20%) targets on performance over the three year period to 31 December 2026, EBITDA margin (15%) targets for the financial year ending 31 December 2026 for the VHG and operational excellence ('OE') (30%) targets (based on non-market vesting conditions related to access rates and recovery for mature contracts and employee engagement targets for the VHG). The options are subject to continued employment and, upon vesting, will remain exercisable until March 2034.

Deferred Share Bonus Plan

The Deferred Share Bonus Plan is a discretionary executive share bonus plan under which the remuneration committee determines that a proportion of a participant's annual bonus will be deferred. The market value of the shares granted to any employee will be equal to one-third of the total annual bonus that would otherwise have been payable to the individual. The awards will be granted on the day after the announcement of the group's annual results. The awards will normally vest over a three-year period.

On 14 March 2022, the company granted a total of 142,427 options to executive directors, with a vesting date of 14 March 2025. There are no performance conditions in respect of the scheme and is subject to continued employment.

On 15 March 2023, the company granted a total of 168,042 options to executive directors, with a vesting date of 15 March 2026. There are no performance conditions in respect of the scheme and is subject to continued employment.

On 14 March 2024, the company granted a total of 221,319 options to executive directors, with a vesting date of 14 March 2027. There are no performance conditions in respect of the scheme and is subject to continued employment.

Save As You Earn

The Save As You Earn (SAYE) is open to all Spire Healthcare employees. Vesting will be dependent on continued employment for a period of three years from grant. The requirement to save is a non-vesting condition.

On 24 April 2022, the company granted 3,800,557 options to employees with a vesting date of 1 June 2025. There are no performance conditions in respect of the scheme. Upon vesting, the options will remain exercisable for six months. The IFRS 2 charge has been calculated using an adjusted Black Scholes model with judgements including leavers of the scheme (employees who may cease to save) and dividend yields.

The aggregate number of share awards outstanding for the group and their weighted average contractual life is shown below:

	2024						
	LTIP (ROCE condition) (thousands)	LTIP (TSR condition) (thousands)	LTIP (EBITDA condition) (thousands)	LTIP (EPS condition) (thousands)	LTIP (OE condition) (thousands)	Deferred Share Bonus Plan (thousands)	SAYE (thousands)
At 1 January	**3,076**	**4,458**	**–**	**902**	**3,958**	**449**	**3,252**
Granted	**801**	**458**	**343**	**–**	**687**	**221**	**–**
Exercised	**(181)**	**(865)**	**–**	**(423)**	**(716)**	**(139)**	**(14)**
Surrendered[1]	**(99)**	**(99)**	**–**	**–**	**(84)**	**–**	**–**
Cancelled[2]	**(476)**	**337**	**–**	**(479)**	**45**	**–**	**(281)**
At 31 December	**3,121**	**4,289**	**343**	**–**	**3,890**	**531**	**2,957**
Exercisable at 31 December	**417**	**1,928**	**–**	**–**	**1,571**	**–**	**32**
Weighted average contractual life	**1.0 years**	**0.6 years**	**2.2 years**	**0 years**	**0.7 years**	**1.3 years**	**0.4 years**

	2023					
	LTIP (ROCE condition) (thousands)	LTIP (TSR condition) (thousands)	LTIP (EPS condition) (thousands)	LTIP (OE condition) (thousands)	Deferred Share Bonus Plan (thousands)	SAYE (thousands)
At 1 January	2,169	4,726	1,540	4,343	525	3,652
Granted	1,043	1,043	–	894	168	–
Exercised	–	(652)	(380)	(636)	(244)	(18)
Surrendered[1]	(69)	(69)	–	(59)	–	–
Cancelled[2]	(67)	(590)	(258)	(584)	–	(382)
At 31 December	3,076	4,458	902	3,958	449	3,252
Exercisable at 31 December	–	–	–	–	–	14
Weighted average contractual life	2.6 years	2.0 years	0.7 years	2.0 years	1.3 years	1.4 years

1. These are shares where the participants are considered to be good leavers and forfeit a proportion of their shares on pro-rata basis.
2. These are shares where the participants forfeit all share options.

Notes to financial statements continued

29. Share-based payments continued

The weighted average share price for the share awards exercised during the period is £2.34 per share.

Share options outstanding at the end of the year have the following expiry date:

Grant – vest	Expiry date	Exercise price (£)	Share options thousands 2024	2023
LTIP grants				
30/03/2017 – March 2020	30/03/2027	–	–	2
28/03/2018 – March 2021	28/03/2028	–	–	18
25/03/2019 – March 2022	25/03/2029	–	–	1,188
06/04/2020 – April 2023	06/04/2030	–	2,176	2,396
18/03/2021 – March 2024	18/03/2031	–	1,741	3,038
14/03/2022 – March 2025	14/03/2032	–	2,644	2,860
15/03/2023 – March 2026	15/03/2033	–	2,792	2,892
14/03/2024 – March 2027	14/03/2034	–	2,290	–
Deferred Share Bonus Plan				
18/03/2021 – March 2024	17/03/2031	–	–	139
14/03/2022 – March 2025	13/03/2032	–	142	142
15/03/2023 – March 2026	14/03/2033	–	168	168
14/03/2024 – March 2027	13/03/2034	–	221	–
Save As You Earn				
26/04/2022 – June 2025	01/12/2025	1.98	2,957	3,252

During the year, 1,162,366 shares, relating to LTIPs, were exercised from the company's Employee Benefit Trust (EBT), during the year (see note 22 for more information). Where considered the most appropriate use of surplus cash, the company will continue to fund the Spire Healthcare Employee Benefit Trust (EBT), a discretionary trust held for the benefit of the group's employees, for the ongoing acquisition of shares to satisfy the exercise of share plan awards by employees.

The following information is relevant to the determination of the fair value of the awards granted for the years ended 31 December 2024 and 2023, respectively, under the schemes:

2024	LTIP (TSR condition)	LTIP (ROCE condition)	LTIP (EBITDA condition)	LTIP (OE condition)	Deferred Share Bonus Plan
Option pricing model	Monte Carlo	Fair value at grant date	Fair value at grant date	Fair value at grant date	n/a
Fair value at grant date (£)	1.35	2.36	2.36	2.36	n/a
Fair value at grant date for shares subject to holding period (£)	1.23	2.15	2.15	2.15	n/a
Weighted average share price at grant date (£)	2.36	2.36	2.36	2.36	n/a
Exercise price (£)	Nil	Nil	Nil	Nil	n/a
Weighted average contractual life	3.8 years	3.8 years	3.8 years	3.8 years	3 years
Expected dividend yield	n/a	n/a	n/a	n/a	n/a
Risk-free interest rate	4.1%	n/a	n/a	n/a	n/a
Volatility[1]	28%	n/a	n/a	n/a	n/a

2023	LTIP (TSR condition)	LTIP (ROCE condition)	LTIP (OE condition)	Deferred Share Bonus Plan	Save as you Earn
Option pricing model	Monte Carlo	Fair value at grant date	Fair value at grant date	n/a	Black-Schöles model
Fair value at grant date (£)	1.26	2.10	2.10	n/a	0.71
Fair value at grant date for shares subject to holding period (£)	1.07	1.78	1.78	n/a	n/a
Weighted average share price at grant date (£)	2.10	2.10	2.10	n/a	2.10
Exercise price (£)	Nil	Nil	Nil	Nil	1.98
Weighted average contractual life	3.1 years	3.1 years	3.1 years	1.8 years	1.4 years
Expected dividend yield	n/a	n/a	n/a	n/a	n/a
Risk-free interest rate	3.4%	n/a	n/a	n/a	n/a
Volatility[1]	49%	49%	49%	n/a	n/a

1. The expected volatility is based on the historical volatility of the company and a comparator group of other international healthcare companies.

30. Reconciliation of cash generated from operations

(£m)	Note	2024	2023
Cash flows from operating activities			
Profit before taxation		38.3	34.6
Adjustments to reconcile profit before tax to net cash flows:			
Fair value movement on financial liability		(1.6)	–
(Profit)/loss on disposal of property, plant and equipment		(5.2)	(0.3)
Adjusting items – other		1.5	1.5
Depreciation of property, plant and equipment and right-of-use assets	14	108.0	103.0
Amortisation on intangible assets	15	4.2	0.6
Finance income	10	(0.7)	(1.4)
Finance costs	10	99.9	93.0
Other income	6	(5.8)	(3.6)
Share-based payments expense	29	4.2	3.7
Movements in working capital:			
Increase in trade receivables and other receivables		(11.0)	(12.7)
Increase in inventories		(2.3)	(3.7)
Increase in trade and other payables		9.0	2.2
Decrease in provisions		(2.7)	(1.3)
Cash generated from operations		235.8	215.6

31. Commitments

Consignment stock

At 31 December 2024, the group held consignment stock on sale or return of £25.5 million (2023: £24.5 million). The group is only required to pay for the equipment it chooses to use and therefore this stock is not recognised as an asset.

31. Commitments continued

Capital commitments

Capital commitments comprise amounts payable under capital contracts which are duly authorised and in progress at the consolidated balance sheet date. They include the full cost of goods and services to be provided under the contracts through to completion. The group has rights within its contracts to terminate at short notice and, therefore, cancellation payments are minimal.

Capital commitments at the end of the year were as follows:

(£m)	2024	2023
Contracted but not provided for	**24.7**	31.6

32. Financial guarantees

The group had the following guarantees at 31 December 2024:

- The bankers to Spire Healthcare Limited have issued a letter of credit in the maximum amount of £1.5 million (2023: £1.5 million) in relation to contractual pension obligations
- Under certain lease agreements entered into on 26 January 2010, the group has given undertakings relating to obligations in the lease documentation and the assets of the group are subject to a fixed and floating charge. See note C11 for details of financial guarantees in respect of lease arrangements and agreements.

33. Financial risk management and impairment of financial assets

The group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The directors have overall responsibility for the establishment and oversight of the group's risk management framework. The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Credit risk and impairment

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

Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The group's exposure to credit risk from trade receivables is considered to be low because of the nature of its customers and policies in place to prevent credit risk occurring in normal circumstances.

Most revenues arise from insured patients' business and the NHS. Insured revenues give rise to trade receivables which are mainly due from large insurance institutions, which have high credit worthiness. The remainder of revenues arise from individual self-pay patients and consultants.

The group establishes an allowance for impairment that represents its ECL in respect of trade and other receivables. This allowance is composed of specific losses that relate to individual exposures and also an ECL component established using rates reflecting historical information for payor groups, and forward looking information.

During the period, trade receivables have increased in line with revenue, but aged debt has reduced. Individual self-pay patients continues to be the largest risk for the group given the current economic uncertainty. The group has considered the provision required and maintained a provision accordingly through the expected loss rate percentages, which is in line with the position at December 2023. The Expected Credit Loss (ECL) as at year end is £6.2 million (2023: £5.5 million).

Note 19 shows the ageing and customer profiles of trade receivables outstanding at the year end.

Unbilled receivables are considered for expected credit losses, but these are not considered material and therefore not recognised.

Investments

The group limits its exposure to credit risk by only investing in short-term money market deposits with large financial institutions, which must be rated at least Investment Grade by key rating agencies.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The group is exposed to interest rate risk arising from fluctuations in market rates. This affects future cash flows from money market investments and the cost of floating rate borrowings.

From time-to-time, the group considers the cost benefit of entering into derivative financial instruments to hedge its exposure to interest rate volatility based on existing variable rates, current and predicted interest yield curves and the cost of associated medium-term derivative financial instruments.

Interest rates on variable rate loans are determined by SONIA fixings on a quarterly basis. Interest is settled on all loans in line with agreements and is settled at least annually.

	Variable	Total	Undrawn facility[1]
31 December 2024 (£m)	**365.0**	**365.0**	**60.0**
Effective interest rate (%)	**5.85%**	**5.85%**	
31 December 2023 (£m)	365.0	365.0	60.0
Effective interest rate (%)	5.63%	5.63%	

1. If this facility was drawn the interest rate would be in line with the variable rate loans.

The group has an interest rate swap derivative asset of £2.9 million (2023: £4.4 million liability) in place (refer to note 23).

The fair value of this instrument is considered the same as its carrying value and level two of the fair value hierarchy is used to measure the fair value of the instrument. The variable rate consideration received by the group is Sterling three month SONIA.

Notes to financial statements continued

33. Financial risk management and impairment of financial assets continued

Sensitivity analysis

A change of 25 basis points (bp) in interest rates at the reporting date would have increased/(decreased) equity and reported results by the amounts shown below. This analysis assumes that all other variables remain constant.

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Liquidity is managed across the group and consideration is taken of the segregation of accounts for regulatory purposes. Short-term operational working capital requirements are met by cash in hand.

Typically the group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of at least 90 days, including the servicing of financial obligations. In addition to cash on demand, the group has available the following line of credit:

- £60.0 million of revolving credit facility, which was undrawn as at 31 December 2024 (2023: £60.0 million undrawn)

The following are contractual maturities, at as the balance sheet date, of financial liabilities, including interest payments and excluding the impact of netting agreements:

At 31 December 2024 (£m)	Carrying amount	Contractual cash flows	Maturity analysis					
			Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years
Trade and other payables	185.1	185.1	185.1	–	–	–	–	–
Bank borrowings	367.1	418.6	23.7	22.6	372.3	–	–	–
Lease liabilities	912.8	1,802.5	104.7	104.1	103.1	103.1	101.9	1,285.7
	1,465.0	2,406.2	313.5	126.7	475.4	103.1	101.9	1,285.7
Derivative financial assets								
Interest rate swaps	(2.9)	(3.3)	(2.6)	(0.7)	–	–	–	–
	1,462.1	2,402.9	310.9	126.0	475.4	103.1	101.9	1,285.7

At 31 December 2023 (£m)	Carrying amount	Contractual cash flows	Maturity analysis					
			Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years
Trade and other payables	171.5	171.5	171.5	–	–	–	–	–
Bank borrowings	365.3	434.3	24.7	19.9	18.7	371.0	–	–
Lease liabilities	891.7	1,818.7	99.8	100.0	98.1	97.8	97.7	1,325.3
	1,428.5	2,424.5	296.0	119.9	116.8	468.8	97.7	1,325.3
Derivative financial assets								
Interest rate swaps	(4.4)	(5.0)	(4.1)	(0.8)	(0.1)	–	–	–
	1,424.1	2,419.5	291.9	119.1	116.7	468.8	97.7	1,325.3

Capital management

The group's objective is to maintain an appropriate balance of debt and equity financing to enable the group to continue as a going concern, to continue the future development of the business and to optimise returns to shareholders and benefits to other stakeholders.

The board closely manages trading capital, defined as net assets plus net debt. The group's net assets at 31 December 2024 were £746.2 million (2023: £737.8 million) and net debt, calculated as bank borrowings of £367.1 million (2023: £365.3 million) less cash and cash equivalents of £41.2 million (2023: £49.6 million) amounted to £325.9 million (2023: £315.7 million).

The principal focus of capital management revolves around working capital management and compliance with externally imposed financial covenants see note 23 for more detail.

Major investment decisions are based on reviewing the expected future cash flows and all major capital expenditure requires approval by the board.

At the balance sheet date, the group's committed undrawn facilities, and cash and cash equivalents were as follows:

(£m)	2024	2023
Committed undrawn revolving credit facility	60.0	60.0
Cash and cash equivalents	41.2	49.6

Fair value measurement

As of 31 December 2024, except for an interest rate swap and financial asset relating to a gross profit share, the group did not hold financial instruments that are included in level 1, 2 or 3 of the hierarchy.

Management assessed that cash and short-term deposits, trade and other receivables, unbilled receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The carrying value of debt is approximately equal to its fair value. During the year ended 31 December 2024, there were no transfers between the levels in the fair value hierarchy.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered.

A derivative is a financial instrument whose value is based on one or more underlying variables. The group uses derivative financial instruments to hedge its exposure to interest rate risk. Derivatives are not held for speculative reasons. Fair values are obtained from market observable pricing information including interest rate yield curves and have been calculated as follows; fair value of interest rate swaps is determined as the present value of the estimated future cash flows based on observable yield curves.

The financial asset reflects a profit share arrangement with a partner. There are no market observable prices for the valuation. Management therefore assesses forward looking information and appropriate discount rates and risk factors to determine the fair value. Sensitivities are also taken into account when reviewing the fair value (note 16).

33. Financial risk management and impairment of financial assets continued

As at 31 December 2024, the group held the following financial instruments measured at fair value:

Financial instruments measured at fair value (£m)	Value as at 31 December 2024	Maturity analysis Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss				
Profit share arrangement (Note 16)	**12.3**	**–**	**–**	**12.3**
Interest rate swaps	**2.9**	**–**	**2.9**	**–**
Financial assets measured at fair value	**15.2**	**–**	**2.9**	**12.3**

During the year, Spire Healthcare received a profit share in respect of the financial asset of £1.0 million (2023: £0.8 million). In addition an unrealised fair value movement of £4.8 million (2023: £3.0 million) was recognised in income upon review of the financial asset to increase the value of the financial asset on the balance sheet.

As at 31 December 2023, the group held the following financial instruments measured at fair value:

Financial instruments measured at fair value (£m)	Value as at 31 December 2023	Maturity analysis Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss				
Profit share arrangement (Note 16)	7.5	–	–	7.5
Interest rate swaps	4.4	–	4.4	–
Financial assets measured at fair value	11.9	–	4.4	7.5

Cash flow hedge

The group designate, as cash flow hedges, interest rate swaps entered into with three counterparties maturing in February 2026. These interest rate swaps convert floating interest rate liabilities into fixed interest rate liabilities. The swaps run concurrently with the hedged item, being the group's floating rate liabilities under the senior finance facility. For the years ended December 2024 and 2023, there were no significant amounts recognised in the profit or loss relating to the ineffective portion of hedges or portions excluded from the assessment of hedge effectiveness. The movement in the interest rate swap relates to fair value movement and is recognised through other comprehensive income.

Fair value hierarchy

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

34. Related party transactions

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly. They include the board and executive committee, as identified on pages 98 to 100.

Compensation for key management personnel is set out in the table below:

Key management compensation

(£m)	2024	2023
Salaries and other short-term employee benefits	**7.5**	5.2
Post-employment benefits	**–**	0.4
Share-based payments	**3.7**	1.3
	11.2	6.9

Further information about the remuneration of individual directors is provided in the audited part of the directors' remuneration report on pages 111 to 122. There were no transactions with related parties external to the group in the year to 31 December 2024 (2023: nil).

35. Disposals and acquisitions

On 31 March 2024, the group sold the assets and operations of its Tunbridge Wells hospital to Maidstone and Tunbridge Wells NHS Trust. The group recognised a total profit on disposals in the period of £4.5 million. The profit is reported within adjusting items (note 11). As part of the sale agreement the group has entered into a sub lease agreement with the trust to lease the Tunbridge Wells property. Included in the profit is £2.0 million relating to the derecognition of the right of use asset (£2.4 million) and recognition of the finance lease receivable (£4.4 million). The finance lease receivable represents the cash flows receivable from the trust to settle the lease obligation in the head lease. In addition, the group entered into a management service agreement whereby Spire will operate the administration function of the hospital for a fixed monthly fee at an arm's length basis to allow for the proper transfer of contracts and operations. The management service agreement ended in September 2024. The profit on disposal is as follows:

(£m)	2024
Consideration received	10.0
Net assets disposed	(5.8)
Disposal costs	(1.7)
Derecognise right of use asset	(2.4)
Recognise finance lease receivable	4.4
Profit on disposal	4.5
Deferred tax charge	(1.2)
Profit on disposal after tax	3.3

Prior year acquisition of Vita Health Group

During the year, the group reviewed its goodwill position in respect of Vita Health Group in line with IFRS 3 and a provision of £0.5 million has been recognised in respect of deferred consideration this has been adjusted through goodwill.

36. Events after the reporting period

On 21 February 2025 Brighton Orthopaedic and Sports Injury Clinic Limited (BOSIC) formally notified Spire Healthcare of the intention to exercise their put option for Spire Healthcare to purchase the remaining 25% interest in Montefiore House Limited. A financial liability of £8.0 million is provided for this purchase, refer to note 24.

Company balance sheet

As at 31 December 2024
(Registered number 09084066)

(£m)	Note	2024	2023
ASSETS			
Non-current assets			
Investments	C9	**843.7**	840.6
Other receivables	C7	**193.1**	179.8
		1,036.8	1,020.4
Current assets			
Other receivables	C7	**281.9**	226.9
Cash and cash equivalents	C6	**0.1**	0.1
		282.0	227.0
Total assets		**1,318.8**	1,247.4
EQUITY AND LIABILITIES			
Equity			
Share capital	21	**4.0**	4.0
Share premium		**830.0**	830.0
Capital redemption reserve		**–**	–
EBT share reserves	21	**(0.9)**	(0.7)
Retained earnings		**469.4**	404.2
Total equity		**1,302.5**	1,237.5
Current liabilities			
Income tax payable		**6.9**	9.3
Trade and other payables	C8	**9.4**	0.6
Total liabilities		**16.3**	9.9
Total equity and liabilities		**1,318.8**	1,247.4

The profit attributable to the owners of the company for the year ended 31 December 2024 was £75.7 million (2023: £67.1 million).

The financial statements on pages 164 to 168 were approved by the board of directors on 5 March 2025 and signed on its behalf by:

Justin Ash
Chief Executive Officer

Harbant Samra
Chief Financial Officer

Company statements of changes in equity

For the year ended 31 December 2024

(£m)	Share capital	Share premium	Capital redemption reserve	EBT share reserves	Retained earnings	Total equity
At 1 January 2023	4.0	830.0	–	–	337.8	1,171.8
Profit for the year	–	–	–	–	67.1	67.1
Purchase of own shares by EBT	–	–	–	(3.1)	–	(3.1)
Share-based payment	–	–	–	–	3.7	3.7
Utilisation of EBT shares	–	–	–	2.4	(2.4)	–
Dividend paid	–	–	–	–	(2.0)	(2.0)
As at 1 January 2024	**4.0**	**830.0**	**–**	**(0.7)**	**404.2**	**1,237.5**
Profit for the year	**–**	**–**	**–**	**–**	**75.7**	**75.7**
Purchase of own shares by EBT	**–**	**–**	**–**	**(3.1)**	**–**	**(3.1)**
Share-based payment	**–**	**–**	**–**	**–**	**4.0**	**4.0**
Utilisation of EBT shares	**–**	**–**	**–**	**2.9**	**(2.9)**	**–**
Dividend paid	**–**	**–**	**–**	**–**	**(8.5)**	**(8.5)**
Purchase of ordinary shares for cancellation	**–**	**–**	**–**	**–**	**(3.1)**	**(3.1)**
As at 31 December 2024	**4.0**	**830.0**	**–**	**(0.9)**	**469.4**	**1,302.5**

Company statement of cash flows

For the year ended 31 December 2024

(£m)	2024	2023
Cash flows from operating activities		
Profit before taxation	**82.1**	74.5
Dividend received	**(55.4)**	(52.1)
Profit before taxation (excluding dividend received)	**26.7**	22.4
Adjustments for:		
Share-based payments	**0.9**	3.6
Interest income	**(29.2)**	(27.6)
	(1.6)	(1.6)
Movements in working capital:		
Increase in trade and other receivables	**(39.1)**	(45.6)
Increase in trade and other payables	**–**	0.1
Net cash used in operating activities	**(40.7)**	(47.1)
Cash flows from investing activities		
Dividend received	**55.4**	52.1
Net cash generated from investing activities	**55.4**	52.1
Cash flows from financing activities		
Purchase of own shares by EBT	**(3.1)**	(3.1)
Dividend paid to equity holders of the parent	**(8.5)**	(2.0)
Purchase of ordinary shares for cancellation	**(3.1)**	–
Net cash used in financing activities	**(14.7)**	(5.1)
Net decrease in cash and cash equivalents	**–**	(0.1)
Cash and cash equivalents at beginning of year	**0.1**	0.2
Cash and cash equivalents at end of year	**0.1**	0.1

Notes to the parent company financial statements

For the year ended 31 December 2024

This section contains the notes to the company financial statements. The issued share capital and EBT share reserves are consistent with the Spire Healthcare Group plc group financial statements. Refer to note 22 of the group financial statements.

C1. Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards (IAS) in accordance with the Companies Act 2006 and on an historical cost basis. The financial statements are presented in UK sterling and all values are rounded to the nearest million pounds (£m), except when otherwise indicated.

See note 1 for general information about the company.

The financial statements have been prepared on a going concern basis as the directors believe there are no material uncertainties that lead to significant doubt that the company can continue as a going concern until June 2026 (see the going concern section in note 2 for more detail).

The company applies consistent accounting policies, as applied by the group. To the extent that an accounting policy is relevant to both group and company financial statements, refer to the group financial statements for disclosure of the accounting policy. Material policies that apply to the company only are included as appropriate.

The company has used the exemption granted under s408 of the Companies Act 2006 that allows for the non-disclosure of the income statement of the parent company.

The company did not have items to be reported as other comprehensive income; therefore, no statement of comprehensive income was prepared.

C2. Significant accounting policies in this section

Investment in subsidiary

The company's investment in subsidiary is carried at cost less provisions resulting from impairment.
In testing for impairment, the carrying value of the investment is compared to its recoverable amount, being its value-in-use. In addition, market capitalisation is compared to the investments of the company when assessing impairment requirements.

Share-based payments

The financial effect of awards by the company of options over its equity shares to employees of subsidiary undertakings is recognised by the company in its individual financial statements as an increase in its investment in subsidiaries with a credit to equity equivalent to the IFRS 2 cost in subsidiary undertakings. The subsidiary, in turn, will recognise the IFRS 2 cost in its income statement with a credit to equity to reflect the deemed capital contribution from the company.

C3. Other areas of accounting estimates in this section

Impairment testing of investment in subsidiary

The market capitalisation of the company is compared to the investment of the company to determine if there is a trigger for impairment review. Management acknowledged indicators of impairment at the year end, being, the net assets of the company are higher than that of the group's consolidated net assets and that the market capitalisation exceeds the investment value including intercompany receivables. The company's investment in its subsidiary has been tested for impairment by comparison against the underlying value of the subsidiary's assets, based on value-in-use calculated using the same assumptions as noted for the testing of goodwill impairment in note 15 of the group financial statements adjusted for the assumption that internal and external borrowings including lease liabilities have been settled. See note C9 for more detail.

Notes to the parent company financial statements continued

C4. Staff costs and directors' remuneration

The company had no employees during the year, except for the directors. The information on compensation for the directors, being considered as the key management personnel of the company, is disclosed in Note C12.

C5. Auditor's remuneration

During the year, the company obtained the following services from the company's external auditor, as detailed below:

(£'000)	2024	2023
Amounts payable to auditor in respect of:		
Audit of the company's annual financial statements	**15.0**	15.0
	15.0	15.0

C6. Cash and cash equivalents

(£m)	2024	2023
Cash at bank	**0.1**	0.1
	0.1	0.1

C7. Other receivables

(£m)	2024	2023
Amounts owed by subsidiary undertakings – current	**281.9**	226.9
	281.9	226.9

The amounts owed by subsidiary undertakings bear interest at SONIA plus 2.05% (2023: SONIA plus 2.05%). No allowance for expected credit losses has been included for amounts receivable from subsidiary undertakings as the provision rates are immaterial. As described in the directors' report, the group has sufficient resources to satisfy going concern and viability considerations. All subsidiaries are under common control and resources could be made available for settlement of debts as and when required.

(£m)	2024	2023
Amounts owed by subsidiary undertakings – non-current	**193.1**	179.8
	193.1	179.8

The amounts owed by subsidiary undertakings bear interest at SONIA plus 2.05% (2023: SONIA plus 2.05%). The amounts are unsecured and repayable on demand.

C8. Trade and other payables

(£m)	2024	2023
Amounts owed to subsidiary undertakings	**8.8**	–
Accruals	**0.6**	0.6
	9.4	0.6

The amounts owed to subsidiary undertakings bear interest at SONIA plus 2.05% (2023: SONIA plus 2.05%). The amounts are unsecured and repayable on demand.

C9. Investment in subsidiary

(£m)	Subsidiary undertakings
Net book value	
At 1 January 2023	**840.5**
Additions – IFRS 2 costs	**0.1**
At 1 January 2024	**840.6**
Additions – IFRS 2 costs	**3.1**
At 31 December 2024	**843.7**

Details of the company's subsidiaries at the balance sheet date are in note 17 to the group financial statements.

At the year end, the investment in subsidiary were reviewed for indicators of impairment.

Management acknowledged indicators of impairment at the year end, being, the net assets of the company are higher than that of the group's consolidated net assets and that the market capitalisation exceeds the investment value including intercompany receivables.

The recoverable amount of the investment is calculated by reference to its estimated value-in-use calculation adjusted for the assumption that internal and external borrowings including lease liabilities have been settled.

In order to estimate the value-in-use, management has used trading projections covering the period to December 2029 from the most recent board approved budget. The variables in the cash flows are interdependent and reflect management's expectations based on past experience and current market trends, it takes into account both current business and committed initiatives. In addition, management consider the potential financial impact from short-term climate change scenarios, and the cost of initiatives by the group to manage the longer-term climate impacts.

Management determined that no impairment was required as the recoverable amount exceeds the carrying amount by £623.3 million.

Key assumptions

Management identified a number of key assumptions relevant to the value-in-use calculation, being EBITDA growth over the five-year period, capital maintenance spend, discount rate and the long-term growth rate. The assumptions are based on past experience and external sources of information.

The trading projections for the five-year period underlying the value in use reflect a growth in EBITDA. EBITDA is dependent on a number of elements of the operating model over the longer term, including pricing trends, volume growth and the mix and complexity of procedures and assumptions regarding cost inflation. The average annual EBITDA growth over the five years is 10.7%.

During the 2023 financial year, the group moved to a post IFRS 16 discount rate, and has used a pre-tax discount rate of 11.2% (2023: 11.5%).

C9. Investment in subsidiary continued

Key assumptions continued

A long-term growth rate of 2.0% has been applied to cash flows beyond 2029 based on long term view of inflation and market conditions. Capital maintenance spend is based on historic run rates and our expectation of the group's requirements.

Management has performed a sensitivity analysis using reasonably possible changes for each key assumption, keeping all other assumptions constant. The sensitivity analysis included an assessment of the break-even point for each of the key assumptions. The sensitivity testing identified no reasonably possible changes in key assumptions that would cause the carrying amount of the investment to exceed its recoverable amount.

C10. Capital management and financial instruments

The capital structure of the company comprises issued capital, reserves and retained earnings as disclosed in the company statement of changes in equity totalling £1,302.5 million as at 31 December 2024 (2023: £1,237.5 million), and cash amounted to £0.1 million (2023: £0.1 million).

Credit risk

As at 31 December 2024, the company had amounts owed by subsidiary undertakings of £475.0 million (2023: £406.7 million). The company's maximum exposure to credit risk from these amounts is £475.0 million (2023: £406.7 million).

Liquidity risk

The company finances its activities through its investments in subsidiary undertakings.

The company anticipates that its funding sources will be sufficient to meet its anticipated future administrative expenses and dividend obligations as they become due over the next 12 months.

Dividends paid in the year:

(£m)	2024	2023
Final dividend for the year ended 31 December 2023 (2.1 pence per share)	**8.5**	2.0
Total dividends paid	**8.5**	2.0

Since the end of the financial year, the directors have proposed a final dividend of approximately 2.3 pence per share. The dividend is subject to approval by shareholders at the Annual General Meeting and is therefore not included in the balance sheet as a liability at 31 December 2024.

(£m)	2024	2023
Financial assets: carrying amount and fair value:		
Loans and receivables		
Cash and cash equivalents	**0.1**	0.1
Amounts owed by subsidiary undertakings	**475.0**	406.7
	475.1	406.8

The above financial assets are not impaired.

(£m)	2024	2023
Financial liabilities: carrying amount and fair value:		
Amortised cost		
Amounts owed to subsidiary undertakings	**8.8**	–
	8.8	–

All of the above financial liabilities have a maturity of less than one year.

The fair value of financial assets and liabilities approximates their carrying value.

Market risk

Interest rate risk and sensitivity analysis

As at 31 December 2024 the company had short-term borrowings of £8.8 million (2023: Nil) owed to subsidiary undertakings, which are repayable on demand and bear interest at SONIA plus 2.05% (2023: SONIA plus 2.05%). Interest on these borrowings in the year amounted to Nil (2023: Nil) and the directors do not perceive that servicing this debt poses any significant risk to the company given its size in relation to the company's net assets.

IFRS 7 Financial Instruments: Disclosures required a market risk sensitivity analysis illustrating the fair values of the company's financial instruments and the impact on the company's income statement and shareholders' equity of reasonably possible changes in selected market risks. Excluding cash and cash equivalents, the company has no financial assets or liabilities that expose it to market risk, other than the amounts owed by/to subsidiary undertakings of £475.0 million (2023: £406.7 million) and £8.8 million (2023: Nil) respectively. The directors do not believe that a change of 25 basis points in the SONIA interest rates will have a material impact on the company's income statement or shareholders' equity.

Notes to the parent company financial statements continued

C11. Financial guarantees

The below financial guarantees have been assessed in line with the requirements of IFRS 17 insurance contracts and are exempt as the guarantees have not been asserted explicitly as insurance contracts and as such the accounting for insurance contracts is not applicable.

Lease arrangements with a consortium of investors

The company has given a guarantee to a consortium of investors, comprising Malaysia's Employees Provident Fund (EPF), affiliated funds of Och-Ziff Capital Management group and Moor Park Capital, in relation to the sale of 12 of the Spire Healthcare group's property-owning companies on 17 January 2013. With effect from 17 January 2013, the total third-party annual commitments of the group under these leases increased by £51.3 million per annum.

As a result of the sale, the group has long-term institutional lease arrangements (up to December 2042, subject to renewal or extension), with the landlord for each of the 12 properties. The leases include key terms such as annual rental covenants and minimum levels of capital expenditure invested by the group. The capital expenditure covenants measured on an average basis over each five-year period during the term of the leases, require the group to incur, in total, £5.0 million of maintenance capital expenditure and £3.0 million of additional capital expenditure on the portfolio of 12 hospitals each year, such being subject to indexation in line with RPI. If the minimum rent cover ratio is not met, the group is required to enter into an asset performance recovery plan in order to comply with the covenants, but no default would be deemed to have occurred. The company is a party to this guarantee. As at 31 December 2024 the group complied with the required covenants and the lease liability held on the consolidated balance sheet is £645.0 million (2023: £628.7 million).

Based on the liquidity and expected cash generation of Spire Healthcare Limited, the expected credit loss in respect of these financial guarantees, as at 31 December 2024, is not considered to be significant. As a result, no liability has been recorded (2023: Nil).

Lease agreements entered into by Classic Hospitals Limited (novated to Spire Healthcare Limited)

Under lease agreements entered into on 26 January 2010 by Classic Hospitals Limited, a subsidiary undertaking of the company, the company has undertaken to guarantee the payment of rentals over the lease term to August 2040, and to ensure that the other covenants in the lease are observed. The lease has been moved to Spire Healthcare Limited, another subsidiary undertaking of the company, to allow Classic Hospitals Limited to enter Members' Voluntary Liquidation as part of the entity rationalisation carried out during the 2021 financial year. The initial rentals payable under the leases in 2010 were £6.3 million per annum, which will be subject to an increase in future years. As part of these arrangements, the assets of the company are subject to a fixed and floating charge in the event of a default. As at 31 December 2024, there was no breach in the required covenants and the lease liability held on the Consolidated balance sheet is £81.2 million (2023: £81.2million).

Based on the liquidity and expected cash generation of Spire Healthcare Limited, the expected credit loss in respect of these financial guarantees, as at 31 December 2024, is not considered to be significant. As a result, no liability has been recorded (2023: Nil).

C12. Related party transactions

The company's subsidiaries are listed in note 17 to the group financial statements. The following table provides the company's balances that are outstanding with subsidiary companies at the balance sheet date:

(£m)	2024	2023
Amounts owed from subsidiary undertakings – Spire Healthcare Finance Limited, Spire Healthcare Limited and Spire Healthcare (Holdings) Limited	**475.0**	406.7
Amounts owed to subsidiary undertakings – Spire Healthcare Limited	**(8.8)**	–
	466.2	406.7

The amounts outstanding are unsecured and repayable on demand.

The following table provides the company's transactions with subsidiary companies recorded in the profit for the year:

(£m)	2024	2023
Amounts invoiced to subsidiaries	**128.3**	73.3
Amounts invoiced by subsidiaries	**(71.8)**	–
Dividend received from subsidiaries	**55.4**	52.1

Amounts invoiced to/by subsidiaries relate to general corporate purposes.

Directors' remuneration

The remuneration of the non-executive directors of the company is set out below. Further information about the remuneration of individual directors is provided in the audited part of the directors' remuneration report on pages 111 to 122.

(£m)	2024	2023
Short-term employee benefits*	**1.0**	1.1
Share-based payments	**1.0**	1.0
Total	**2.0**	2.1

* Emoluments and share-based payment charges for the executive directors are borne by a subsidiary company, Spire Healthcare Limited. Share-based payment related charges for the Executive Chairman prior to Admission (ie directors' Share Bonus Plan) are also borne by a subsidiary company, Spire Healthcare Limited. Please refer to Note 29 of the group consolidation statements.

Directors' interests in share-based payment schemes

Refer to note 29 to the group financial statements for further details of the main features of the schemes relating to share options held by the chairman, executive directors and senior management team.

C13. Events after the reporting period

There have been no events to disclose after the reporting date.

Shareholder information

Spire Healthcare group websites
Shareholders are encouraged to visit our websites at www.spirehealthcare.com, www.vitahealthgroup.co.uk, www.londondoctorsclinic.co.uk and spireoccupationalhealth.com which have a wealth of information about the company and the services it offers.

There is a section designed specifically for investors at www.investors.spirehealthcare.com where shareholder and media information can be accessed. This year's annual report and notice of annual general meeting can also be viewed there.

Registered office and group head office
Spire Healthcare Group plc
3 Dorset Rise
London EC4Y 8EN
Tel +44 (0)20 7427 9000
Fax +44 (0)20 7427 9001
Registered in England and Wales No. 09084066

Shareholder enquiries
All written shareholder enquiries regarding your shares should be addressed to the company's share registrar at the address on page 170, or as follows:

Equiniti Limited
Tel (UK only) 0371 384 2030
Tel (non-UK) +44 371 384 2030
For deaf and speech impaired shareholders, Equiniti welcomes calls via Relay UK. For more information please visit www.relayuk.bt.com.

Managing your shares
Please contact our registrar, Equiniti Limited, to manage your shareholding if you wish to:

- Register for electronic communications
- Transfer your shares
- Change your registered name or address
- Register a lost share certificate and obtain a replacement
- Consolidate your shareholdings
- Manage your dividend payments
- Notify the death of a shareholder

When contacting Equiniti Limited or registering online, you should have your shareholder reference number at hand. This can be found on your share certificate or latest dividend confirmation. You can manage your shareholding online by registering for Shareview at www.shareview.co.uk. This website has a 'frequently asked questions' section which addresses the most common shareholder problems.

All other shareholder enquiries not related to the share register should be addressed to the company secretary at the registered office or emailed to companysecretary@spirehealthcare.com.

Electronic shareholder communications
Registering for online communications gives shareholders more control of their shareholding. The registration process is via our registrar's secure website at www.shareview.co.uk. Once registered you will be able to:

- Elect how we communicate with you
- Amend your details
- Amend the way you receive dividends
- Buy or sell shares online

This does not mean shareholders can no longer receive paper copies of documents if they so wish. We are able to offer a range of services and tailor communication to meet your needs.

Share dealing services
UK resident shareholders can sell shares on the internet or by phone using Equiniti Limited's Shareview Dealing facility by either logging onto www.shareview.co.uk/dealing or by calling 0345 603 7037 between 8.00am and 4.30pm on any business day (excluding bank holidays).

In order to gain access to this service, the shareholder reference number is required, which can be found at the top of the Company's share certificates.

ShareGift
It may be that you have a small number of shares which would cost you more to sell than they are worth. It is possible to donate these to ShareGift, a registered charity, who provide a free service to enable you to dispose charitably of such shares. There are no implications for Capital Gains Tax purposes (no gain or loss) on gifts of shares to charity and it is also possible to obtain income tax relief. More information on this service can be obtained from www.sharegift.org or by calling +44 (0)207 930 3737.

Dividend mandate
If you are a shareholder who has a UK bank or building society account, you are recommended to arrange payment electronically through a bank or building society mandate. There is no fee for this service and notification confirming details of any dividend payment will be sent to your registered address. Please contact Equiniti on 0371 384 2030 or download an application form from www.shareview.co.uk.

Overseas dividend payment service
Equiniti Limited provides a dividend payment service to over 30 countries that automatically converts payments into the local currency by an arrangement with Citibank Europe PLC. Further details, including an application form and terms and conditions of the service, are available on www.shareview.co.uk or from Equiniti Limited by calling +44 371 384 2030 or writing to them at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA (please quote Overseas Payment Service with the Company name and your shareholder reference number).

* Lines are open from 8.30am to 5.30pm, Monday to Friday, UK time.

Shareholder information continued

Shareholder security

From time-to-time, in common with other listed companies, shareholders may receive unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas-based ‘brokers’ who target UK shareholders, using persuasive and high-pressure tactics to lure investors into scams in what often turn out to be worthless, non-existent or high-risk shares in US or UK investments. These operations are commonly known as ‘boiler rooms’.

Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. Further information on how to avoid share fraud or to report a scam can be found on our website at www.spirehealthcare.com.

2025 financial calendar

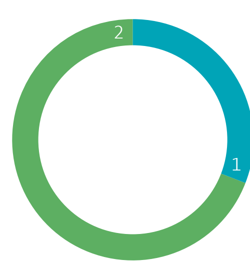
2025 annual general meeting	14 May 2025
Final dividend record date	23 May 2025
Final dividend payment date	20 June 2025
Announcement of 2025 half year results	11 September 2025

Analysis of ordinary shareholders
Holding of ordinary shares as at 31 December 2024

	Private		Institutional and other		Total	
Investor type	2024	2023	2024	2023	2024	2023
Number of holders	**153**	161	**341**	351	**494**	512
Percentage of holders	**30.97%**	31.45%	**69.03%**	68.55%	**100%**	100%
Percentage of shares held	**0.28%**	0.20%	**99.72%**	99.80%	**100%**	100%

	1–1,000		1,001–50,000		50,001–500,000		500,001+	
Investor type	2024	2023	2024	2023	2024	2023	2024	2023
Number of holders	**87**	85	**226**	237	**117**	121	**64**	69
Percentage of holders	**17.61%**	16.60%	**45.75%**	46.29%	**23.68%**	23.63%	**12.96%**	13.48%
Percentage of shares held	**0.01%**	0.01%	**0.69%**	0.68%	**5.31%**	5.55%	**93.99**	93.76%

Shareholders percentage by shareholder



1. Private **30.97%**
2. Institutional and others **69.03%**

Shareholders percentage by shareholding

1. 1-1,000 **17.61%**
2. 1,001-50,000 **45.75%**
3. 50,001-500,000 **23.68%**
4. 500,001+ **12.86%**

Corporate advisers

Auditor
Ernst & Young LLP
1 More London Place
London SE1 2AF

Brokers

J.P. Morgan Cazenove
25 Bank Street
Canary Wharf
London E14 5JP

Deutsche Numis
45 Gresham Street
London EC2V 7BF

Legal advisers
Freshfields Bruckhaus
Deringer LLP
100 Bishopsgate
London EC2P 2SR

Remuneration consultants
Deloitte LLP
2 New Street Square
London EC4A 3BZ

Registrar
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Alternative performance measures definitions

Performance measure	Definition	Purpose
Adjusted operating profit; or, adjusted EBIT	Operating profit, less adjusting items before interest and tax	Provides a comparable measure of operating profit performance over time
Conversion of adjusted EBITDA to cash	Adjusted EBITDA divided by operating cash flows before adjusting items and taxation	Intends to show the group's efficiency at converting adjusted EBITDA into cash
Adjusted EBITDA	Adjusted EBITDA is calculated as operating profit, adjusted to add back depreciation, and adjusting items	Adjusted EBITDA shows the group's earning power independent of capital structure and tax situation with the purpose of simplifying comparisons with other companies in the same industry as it excludes non-cash accounting entries, such as depreciation
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of revenue	Provides a comparable performance metric, expressed as a percentage of revenues
Comparable basis	Financial information where we have deducted the contribution from Spire Tunbridge Wells (sold on 31 March 2025) and presented Vita Health Group on a proforma basis, assuming VHG was owned for 12 months in 2023 (acquired 18 October 2024)	To provide a meaningful comparison to prior year financial information
Net debt	Interest-bearing liabilities, less cash and cash equivalents	Measurement of net group indebtedness for covenant purposes
Net bank debt	Interest-bearing liabilities, excluding borrowing costs, less cash and cash equivalents	Measurement of net group indebtedness
Pre IFRS 16	Reported numbers before applying the effects of IFRS 16 leases	To provide an understanding of the impact of IFRS 16 to the reported numbers and allow comparison to previously reported numbers
Net debt/EBITDA	Net debt at the end of the period divided by EBITDA	Indicates the group's ability to service its debt from cash earnings
Clinical staff costs as a percentage of revenue	Clinical staff costs and medical fees as a percentage of revenue	Provides a comparable measure of cost performance over time in relation to revenue activity
Other direct costs as a percentage of revenue	Other direct costs include, direct costs and medical fees as a percentage of revenue.	Provides a comparable measure of cost performance over time in relation to revenue activity.

Glossary

The following definitions apply throughout the Annual Report 2024, unless the context requires otherwise:

Term	Definition
Act	The Companies Act 2006, as amended
Acute care	active but short-term treatment for a severe injury or episode of illness
Adjusted EBITDA	Adjusted EBITDA is calculated as operating profit, adjusted to add back depreciation, and adjusting items
Admission	the admission of the shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities
AHP	Allied health professional
ARPC	Average revenue per case
Articles	the articles of association of the company
Board	the board of directors of the company
CAGR	compound annual growth rate
Cardiology	specialty which encompasses the treatment of patients with cardiovascular disease
CGSC	Clinical governance and safety committee
CMA	the UK Competition and Markets Authority
Company	Spire Healthcare Group plc
CQC	Care Quality Commission
CO_2e	carbon dioxide equivalent
CQUIN	commissioning for quality and innovation payment which is earned for meeting quality targets on NHS work
CRC Energy Efficiency Scheme	the CRC (Carbon Reduction Commitment) scheme aims to incentivise energy efficiency and cut emissions in large energy users in the UK's public and private sectors
CREST	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK and Ireland Limited is the operator
CRM	customer relationship management system/software
CT	computerised tomography
DAISY	Diseases Attacking the Immune System
DCG	The Doctors Clinic Group Ltd (include London Doctors Clinic and Spire Occupational Health)
Directors	the executive directors and non-executive directors
DPA	Data Protection Act
DMR	Dry mixed recycling
DSBP	Deferred Share Bonus Plan
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	earnings per share
eRS	Electronic Referral System
EU	the European Union
Executive directors	the executive directors of the company
FCA	the Financial Conduct Authority
FRC	the Financial Reporting Council
FTSUG	Freedom to Speak Up Guardian
GDP	gross domestic product
GDPR	General Data Protection Regulation
GHG	greenhouse gas
GIRFT	Getting it Right First Time
GMC	General Medical Council
GP	General practitioner
GPG	Gender Pay Gap
Group	Spire Healthcare Group plc and its subsidiaries
HD	Hospital director
HGV	Heavy Goods Vehicle
Health & Safety Act	The Health & Safety at Work etc Act 1974
HIS	Health Improvement Scotland
HIW	Health Inspectorate Wales
HMRC	HM Revenue & Customs
HSE	Health and Safety Executive
ICBs	Integrated Care Boards: NHS organisation which plans how to meet local population health needs, associated budget and provision
ICSs	Integrated Care Systems: Partnerships of NHS organisations, local authorities and others to collectively plan services
IFRS	International Financial Reporting Standards, as adopted by the EU
IPO	initial public offering of shares to certain institutional and other investors
IRIS	Inclusive Recognition of Inspirational Staff
ISO 14001	environmental management system
ISO 18001	health and safety management system
ITU	Intensive Therapy Unit
JAG accreditation	The Joint Advisory Group on Gastrointestinal Endoscopy (JAG) accreditation: formal recognition an endoscopy service has the competence to deliver against measures in the Endoscopy Global Rating Scale standards
KPI	key performance indicator
LDC	London Doctors Clinic (trading name for the private GP element of The Doctors Clinic Group Ltd)
Listing Rules	the listing rules of the FCA made under section 74(4) of the Financial Services and Markets Act 2000

Glossary continued

LTIP	Long Term Incentive Plan
MAC	Medical advisory committee
MHFA	Mental Health First Aid
MQEM	Macmillan Quality Environment Mark
MRI	magnetic resonance imaging
NDC	Spire Healthcare's national distribution centre in Droitwich
NHS	the National Health Services in England, Scotland, Wales and Northern Ireland, collectively
NI	National Insurance
NIC	National Insurance Contributions
NJR	National Joint Registry: records, monitors, analyses and reports on performance outcomes in joint replacement surgery
Non-executive directors	the non-executive directors of the company
Official List	the record of whether a company's shares are officially listed, maintained by the FCA (the UKLA Official List)
Oncology	specialty which encompasses the treatment of people with cancer
PHIN	Private Healthcare Information Network
PILON	payment in lieu of notice
PMI	Private medical insurers or insurance
PPE	property, plant and equipment
PROMs	Patient Reported Outcome Measures
PSIRF	Patient Safety Incident Response Framework
QI	Quality Improvement
Registrar	Equiniti Limited
Registration regulations	the Care Quality Commission (Registration) Regulations 2009
REGO	Renewable energy guarantees of origin
Regulated activities regulations	the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
ROCE	return on capital employed
RCP	Representative Concentration Pathway
SAP	global software developer/ software
SDG	Sustainable Development Goal, set by the United Nations
SECR	Streamlined Energy and Carbon Reporting
Self-pay	when a procedure or treatment provided is funded by the patient directly
SEQOHS	Safe Effective Quality Occupational Health Service, benchmarks for occupational health services
Shareholders	the holders of shares in the capital of the company
Shares	the ordinary shares of 1 pence each in the company, having the rights set out in the articles
SQR	Safety, quality and risk committee
tCO_2e	tonnes of carbon dioxide equivalent
TSR	total shareholder return
UK	the United Kingdom of Great Britain and Northern Ireland
UKAS	UK Accounting Standards
UK Code	the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time-to-time
VHG	Vita Health Group
VTE	Venous thromboembolism
YOY	Year-on-year

Forward-looking statements

Important information: forward-looking statements

These materials contain certain forward-looking statements relating to the business of Spire Healthcare Group plc (the 'company') and its subsidiaries (collectively, the 'group'), including with respect to the progress, timing and completion of the group's development, the group's ability to treat, attract, and retain patients and customers, its ability to engage consultants and GPs and to operate its business and increase referrals, the integration of prior acquisitions, the group's estimates for future performance and its estimates regarding anticipated operating results, future revenue, capital requirements, shareholder structure and financing. In addition, even if the group's actual results or development are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of the group's results or developments in the future. In some cases, you can identify forward-looking statements by words such as 'could,' 'should,' 'may,' 'expects,' 'aims,' 'targets,' 'anticipates,' 'believes,' 'intends,' 'estimates,' or similar words. These forward-looking statements are based largely on the group's current expectations as of the date of this presentation and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the group's expectations could be affected by, among other things, uncertainties involved in the integration of acquisitions or new developments, changes in legislation or the regulatory regime governing healthcare in the UK, poor performance by consultants who practice at our facilities, unexpected regulatory actions or suspensions, competition in general, the impact of global economic changes, and the group's ability to obtain or maintain accreditation or approval for its facilities or service lines. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made during this presentation will in fact be realised and no representation or warranty is given as to the completeness or accuracy of the forward-looking statements contained in these materials.

The group is providing the information in these materials as of this date, and we disclaim any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

FSC
www.fsc.org
RECYCLED
Paper made from recycled material
FSC® C001785

Designed and produced by Gather
+44 (0)20 7610 6140
Gather.london

Printed by Park Communications – A Carbon Neutral printing company.

The paper used on this report is 100% recycled. The paper mill and printer are both registered with the Forestry Stewardship Council (FSC)® and additionally have the Environmental Management System ISO 14001. The paper is recyclable and biodegradable.

It has been printed using 100% offshore wind electricity sourced from UK wind.

Spire Healthcare Group plc
3 Dorset Rise
London
EC4Y 8EN

spirehealthcare.com

This report has been printed on 100% recycled paper and is recyclable.