

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

COMPANY NUMBER 08044019



BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	Gary T Cowdrill Dr A Philip McCrea Andrew Milner (Chairman) Thomas C Ross Christopher C Wiggin
Secretary	Charlotte M Taylor
Company Number	08044019
Registered Office	Gamgee House 2 Darnley Road Birmingham B16 8TE
Auditor	BDO LLP Two Snowhill Birmingham B4 6GA

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED

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BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2018

Principal business

The Company is an intermediate holding company for the BHSF Group's occupational health businesses.

Review of business

The Company made an operating loss of £8k this year (2017: £5k) due to the expenses associated with the audit and taxation of the Company's accounts.

During the year, the Company received a capital contribution from its parent, BHSF Group Limited of £602k (2017: £1,000k) which was used to invest in the subsidiary undertaking BHSF Occupational Health Limited; this investment was subject to an impairment of £1,721k.

Risks and uncertainties

The key risk affecting the business is the performance of subsidiary companies, where worse-than-anticipated results can result in impairments to the Company's assets. This is discussed in more detail in notes 1B and 1C to the financial statements.

During 2016, the UK voted to leave the European Union (EU). To some extent this continues to present an uncertainty to the business. The transition away from the EU could potentially lead to changes in laws and regulations affecting various aspects of the Company's operations.

The Company's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to interest rate risk. Its policy is to finance any working capital needs through retained earnings and to use Group borrowings and contributions to finance additional acquisitions.

The Company's exposure to the price risk of financial instruments is therefore minimal. As the counterparty to any of its financial instruments is its Parent Company, it is also exposed to minimal credit and liquidity risks in respect of these instruments.

The Directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

This report was approved by the Board on 8 May 2019 and signed on its behalf by;



Dr A Philip McCrea
Director
8 May 2019

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2018

The Directors submit their report and audited financial statements for the year ended 31 December 2018.

The review of the business, the principal risks and uncertainties, and information of financial risk management and exposure to risk are not shown in the Directors' Report as they are shown in the Strategic Report in accordance with s414C(11) of the Companies Act 2006.

Directors

The Directors who served during the year were as follows:

Gary T Cowdrill	Appointed 6 June 2018
Ian R Galer	Resigned 6 June 2018
Dr A Philip McCrea	Appointed 6 June 2018
Dr Andrew Milner	
Thomas C Ross	
Charlotte M Taylor	Resigned 6 June 2018
Christopher C Wiggin	Appointed 6 June 2018

Qualifying third party indemnity provision

The Company has put in place qualifying third party indemnity provisions for all of the Directors.

Political donations

The Company made no political donations.

Dividend

No dividend (2017: £nil) has been paid during the year. No final dividend is proposed.

Statement regarding information given to the auditor

So far as each of the Directors is aware at the time the report is approved:

- there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the Board on 8 May 2019 and signed on its behalf by;



Dr A Philip McCrea
Director
8 May 2019

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

YEAR ENDED 31 DECEMBER 2018

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the Company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED (CONTINUED)

Opinion

We have audited the financial statements of BHSF Corporate Healthcare (Holdings) Limited ("the Company") for the year ended 31 December 2018, which comprise the Statement of Total Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED (CONTINUED)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED (CONTINUED)

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Perry (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham, United Kingdom

Date: 9 May 2019

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

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED
STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Administration expenses		(8)	(5)
OPERATING LOSS		(8)	(5)
Amounts written off investments	4	(1,721)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(1,729)	(5)
Taxation credit	3	1	1
LOSS FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		(1,728)	(4)

All amounts relate to continuing activities.

The notes on pages 10 - 15 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
FIXED ASSETS			
Investment in subsidiary undertakings	4	1,149	2,268
CURRENT ASSETS			
Debtors	5	182	171
Cash at bank and in hand		18	33
		200	204
CREDITORS: Amounts falling due within one year	6	(9)	(6)
NET CURRENT ASSETS		191	198
NET ASSETS		1,340	2,466
CAPITAL AND RESERVES			
Called up share capital	9	-	-
Profit and loss account		1,340	2,466
SHAREHOLDERS' FUNDS		1,340	2,466

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 8 May 2019.



Dr A Philip McCrea
Director

The notes on pages 10 - 15 form part of these financial statements.

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up Share Capital £'000	Profit and Loss Account £'000	Total £'000
Balance at 1 January 2017	-	1,470	1,470
Changes in equity for the year ending 31 December 2017			
Loss for the year and total comprehensive income	-	(4)	(4)
Capital contributions	-	1,000	1,000
Balance at 31 December 2017	-	2,466	2,466
Changes in equity for the year ending 31 December 2018			
Loss for the year and total comprehensive income	-	(1,728)	(1,728)
Capital contributions	-	602	602
Balance at 31 December 2018	-	1,340	1,340

Included in the Profit and Loss Account are total capital contributions of £7,577,000 (2017:£6,975,000) which have been paid over to subsidiary undertakings.

The notes on pages 10 - 15 form part of these financial statements.

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard Applicable in the UK and Ireland.

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

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

In preparing the separate financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Company;
- Disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole in the consolidated Group financial statements of BHSF Group Limited; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Company as their remuneration is included in the totals for the Group as a whole in the consolidated Group financial statements of BHSF Group Limited.

1A. ACCOUNTING POLICIES

The following key accounting policies are applied in the preparation of the accounts.

a) Impairment of assets

Investment assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit – CGU – to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

b) Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except for those changes attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity, which are also recognised in other comprehensive income or directly in equity respectively.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2018

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, where deferred tax is recognised on the differences between the fair value of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

c) Investments

Investments in subsidiary undertakings are included at cost less provision for any permanent impairment in value.

d) Financial instruments

The Company holds cash and debtor assets and long and short-term creditor liabilities which are classed as financial assets and liabilities. Cash balances are recorded at the statement of financial position date at their face value. Debtors and creditors are measured at their amortised cost value using the effective interest rate where durations are longer than one year. Where duration is shorter than one year, which is the case for all debtors and all creditors currently held on the statement of financial position, financial assets and liabilities are measured at their cash settlement value.

e) Reserves

The reserves at year-end comprise retained earnings and are used to finance working capital.

f) Capital contributions

Irrevocable amounts received from the parent company are classed as capital contributions and constitute a change in equity.

1B. CRITICAL JUDGEMENTS IN THE APPLICATION OF ACCOUNTING POLICIES

The following critical judgements have been made during the course of preparing the accounts:

a) Indicators of impairment in assets

The Directors exercise significant judgement in assessing whether there are indications of impairment in assets, and in particular in those assets that represent investments in subsidiaries. Factors taken into account when determining whether or not to impair assets include the economic viability and expected future financial performance of the asset, and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

1C. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following significant estimates have been made during the course of preparing the accounts.

a) Investments in subsidiaries (see note 4)

Investments in subsidiaries are measured at cost less accumulated impairment. Impairment is judged on the basis of present value of future cash flows expected to flow from the acquired business, based on approved budgets and forecasts. Differences between the forecasts used to arrive at the net present value and actual outturn could result in significant changes to the carrying value of investment balances over the next 12 months. The forecasts include assumed growth in revenue over the next five years, in line with the company's strategic aims. These revenue forecasts, as well as the discount rate applied and forecasts of expenditure are key assumptions underlying the valuations.

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2018

b) Brexit

The Company's activities have limited exposure to EU member states outside of the UK as all sales through the subsidiaries of the Company are in the UK. Nevertheless, the UK's withdrawal from the EU has potential impacts beyond simply effects on cross-border trading, and the impact it could have indirectly on the Company and its subsidiaries by affecting its core UK customer base (comprised largely of UK corporates) is currently unknowable.

In the absence of clear information to the contrary, estimates in the accounts have assumed business is able to continue as normal following the withdrawal date.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2018	2017
	£'000	£'000
The loss on ordinary activities before taxation is arrived at after charging the following:		
Auditor's fees:		
- Fees payable in respect of the audit of the Company's accounts	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>

No non-audit services have been received from the Company's auditors.

The Company has no employees.

The remuneration and pension contributions of Directors were borne by other group companies. It is not possible to apportion the share of their remuneration and pension costs attributable to this Company.

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****YEAR ENDED 31 DECEMBER 2018****3 TAXATION**

	2018	2017
	£'000	£'000
(a) Analysis of credit in period		
Current tax credit	<u>(1)</u>	<u>(1)</u>

(b) Factors affecting the tax credit for the period:

The tax assessed for the year is the same as would be expected (2017: same as expected) by multiplying the deficit on ordinary activities by the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The position is explained below:

	2018	2017
	£'000	£'000
Loss on ordinary activities before tax	<u>(1,729)</u>	<u>(5)</u>
Loss on ordinary activities before tax multiplied by the standard rate of corporation tax at 19% (2017: 19.25%)	(329)	(1)
Effects of:		
Impairment charge not subject to corporation tax	328	-
Total tax credit	<u>(1)</u>	<u>(1)</u>

(c) Factors that may affect future tax charges

The main rate of corporation tax in force at the statement of financial position date was 19%. The main rate of UK corporation tax will further fall to 17% from 1 April 2020.

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****YEAR ENDED 31 DECEMBER 2018****4 INVESTMENT IN SUBSIDIARY UNDERTAKINGS**

At 31 December 2018, the Company directly owned 100% of the share capital of BHSF Occupational Health Limited. The Company also indirectly owned (through ownership of BHSF Occupational Health Limited), 100% of the share capital of BHSF Medical Practice Limited and 100% of the share capital of Nexus Healthcare Limited, all of which are providers of occupational health services and are/were incorporated in England and Wales.

	2018
	£'000
Cost	
At 1 January 2018	6,803
Additions	<u>602</u>
At 31 December 2018	<u>7,405</u>
Impairment	
At 1 January 2018	4,535
Charge for the year	<u>1,721</u>
At 31 December 2018	<u>6,256</u>
Net book value	
At 31 December 2018	<u>1,149</u>
At 1 January 2018	<u>2,268</u>

5 DEBTORS

	2018	2017
	£'000	£'000
Amounts due from group undertakings	182	170
Corporation tax debtor	-	1
	<u>182</u>	<u>171</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£'000	£'000
Amounts due to group undertakings	1	-
Other creditors	8	6
	<u>9</u>	<u>6</u>

BHSF CORPORATE HEALTHCARE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2018

7 CONTROLLING PARTY AND PARENT UNDERTAKINGS

In the opinion of the Directors, BHSF Group Limited is the Company's Parent and ultimate Parent Company and controlling party. The parent undertaking of the largest and smallest groups for which consolidated accounts are prepared is BHSF Group Limited. Consolidated accounts are available from Companies House, Cardiff CF4 3UZ.

8 LEGAL FORM

BHSF Corporate Healthcare (Holdings) Limited is a company limited by shares incorporated in England and Wales with company registration number 08044019. BHSF Corporate Healthcare (Holdings) Limited's registered office is Gamgee House, 2 Darnley Road, Birmingham, B16 8TE.

9 SHARE CAPITAL

The Company's share capital comprises 100 allotted, called-up and fully paid ordinary £1 shares.

10 RELATED PARTY TRANSACTIONS

The Company has had no related party transactions other than those with other group members.