



Chief financial officer's review

Successful transformation, improving private patient trends and strong efficiencies

“Our transformation and capital discipline are accelerating private revenue performance and cash generation, underpinning long-term value creation.”

Harbant Samra
Chief Financial Officer

Dear shareholder,

I am pleased to report that the group delivered a resilient financial performance while continuing to execute our multi-year transformation programme. Revenue grew 4.5% to £1,579.8 million, supported by improving private patient trends and continued progress across primary care, set against unprecedented reductions in NHS commissioning towards the end of the year. Group adjusted EBITDA increased 3.3% to £268.6 million, 3.2% on a comparable basis.

Hospitals revenue increased 4.0% to £1,446.1 million, 4.3% on a comparable basis. Total admissions and outpatient procedures grew 1.4%, while average revenue per case rose 3.9%, demonstrating our focus on higher acuity procedures across all payors and our ability to deploy targeted pricing actions. Private patient revenue grew 1.7%, with improving self-pay trends in the second half, which we believe are driven by our focused marketing campaigns; and broadly stable PMI environment despite continued insurer proactive tendering and claims management, as we continued to deepen our relationships with our insurer partners. NHS revenue increased 11.4%, with strong activity in the first half before NHS budgetary pressure led to a reduction in commissioned volumes late in the year. Throughout, we maintained our discipline over NHS case mix, with more than 60% of admissions in orthopedics.

Hospital adjusted EBITDA increased 3.6% to £258.8 million, 3.9% on a comparable basis, supported by £30.0 million of new transformation savings, delivered as planned. These savings played an essential role in mitigating external cost pressures, including National Insurance and National Minimum Wage increases and the roll off of our energy hedge, amid slowed NHS activity.

Primary care delivered revenue growth of 7.4% to £133.7 million, driven by organic contract growth and new wins across NHS talking therapies and occupational health. Adjusted EBITDA was £9.8 million (2024: £10.3 million), lower year-on-year due to expected start-up losses at newly opened clinics on a standalone basis. We have already seen clinics which were opened in 2024 becoming profitable in 2025.

Group adjusted EBIT was £150.5 million (2024: £149.4 million), and adjusted profit before tax was £46.5 million (2024: £50.2 million), reflecting depreciation and finance charges, both in line with guidance. Group EBIT was £122.6 million (2024: £137.5 million) and statutory profit before tax was £18.6 million (2024: £38.3 million), reflecting £27.9 million (2024: £11.9 million) of adjusting items related primarily to one-off restructuring costs as part of our transformation and professional fees associated with the ongoing strategic review.

Adjusted free cash flow increased 64.8% to £64.3 million, supported by a consistent cash conversion rate of 95.9% as well as our capital discipline and effective working capital management. Total capital expenditure reduced by c.30% to £78.5 million, and we are prioritising our transformation programme and growth investments in our private patient business. Bringing this together, ROCE reached 8.0% (2024: 8.2%). Excluding the impact of National Insurance and National Minimum Wage uplifts, ROCE would have been 8.5%.

We ended the year with net bank debt of £332.4 million (2024: £325.9 million) and a stable leverage ratio of 2.0 times EBITDA, maintaining our balance sheet resilience.

Looking ahead to 2026, private patient momentum has continued into the new year, and primary care is positioned for another year of strong growth. NHS commissioning remains uncertain in the near term. To navigate this uncertainty, we have increased our transformation target to more than £30 million ensuring we become even more agile and competitive in capturing the private market opportunities while protecting earnings. With a strengthened operating model, focused investment strategy, and continued progress in building an integrated healthcare platform, we remain confident in delivering long-term, sustainable value for stakeholders.

Harbant Samra
Chief Financial Officer



Chief financial officer's review continued

Selected financial information

(£m)	Year ended 31 December 2025			Year ended 31 December 2024		
	Total before adjusting items	Adjusting items	Total	Total before adjusting items	Adjusting items	Total
Revenue	1,579.8	–	1,579.8	1,511.2	–	1,511.2
Cost of sales	(863.7)	–	(863.7)	(827.6)	–	(827.6)
Gross profit	716.1	–	716.1	683.6	–	683.6
Other operating costs	(569.0)	(27.9)	(596.9)	(542.3)	(16.4)	(558.7)
Other income	3.4	–	3.4	8.1	4.5	12.6
Operating profit (EBIT)	150.5	(27.9)	122.6	149.4	(11.9)	137.5
Finance income	1.0	–	1.0	0.7	–	0.7
Finance costs	(105.0)	–	(105.0)	(99.9)	–	(99.9)
Profit before taxation	46.5	(27.9)	18.6	50.2	(11.9)	38.3
Taxation	(7.4)	6.0	(1.4)	(14.1)	1.8	(12.3)
Profit/(loss) for the period	39.1	(21.9)	17.2	36.1	(10.1)	26.0
Profit/(loss) for the year attributable to owners of the Parent	38.3	(21.9)	16.4	35.5	(10.1)	25.4
Profit for the year attributable to non-controlling interest	0.8	–	0.8	0.6	–	0.6
Adjusted EBITDA ⁽¹⁾			268.6			260.0
Basic earnings per share, pence			4.1			6.3
Adjusted FCF ⁽²⁾			64.3			39.0
Net cash from operating activities			242.2			235.7
Net bank debt ⁽³⁾			332.4			325.9

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 increased by 4.5% to £1,579.8 million from £1,511.2 million, 4.5% on a comparable basis, driven by growth in both hospitals and primary care.

Hospitals delivered increased revenue of 4.0% to £1,446.1 million from £1,390.2 million, 4.3% on a comparable basis, supported by a 1.2% rise in admissions and outpatient procedure volumes, 1.4% on a comparable basis, and a 3.9% increase in average revenue per case (ARPC) across all payors, unchanged on a comparable basis.

In the private payor group, revenue increased 1.5% to £1,010.1 million from £995.3 million, 1.7% on a comparable basis, with volumes down and ARPC up. In self-pay, volumes continued to improve and returned to positive year-on-year growth by year end, which we believe reflects the impact of our targeted marketing.

PMI revenue increased by 2.9%, 3.1% on a comparable basis. Our ongoing focus on broadening insurer partnerships and managing specialty mix supported growth in both volume and ARPC, helping maintain a stable operating environment throughout the year. Private payors accounted for 69.9% of hospital revenue (FY24: 71.6%).

NHS Hospital revenue increased 11.0% to £407.9 million from £367.4 million, 11.4% on a comparable basis, reflecting a strong first half before a reduction in the second half, reflecting reduced commissioning activity late last year as noted in our december trading update. We maintained our discipline in specialty mix, with more than 60% of all NHS admissions in orthopaedics (high acuity) procedures. This has contributed NHS ARPC growth of 3.2%, unchanged on a comparable basis, broadly in line with the c.3.4% NHS tariff uplift.

Primary care revenue increased 10.5% to £133.7 million from £121.0 million, 7.4% on a comparable basis, driven by organic contract growth and new wins across talking therapies and occupational health. Reported revenue grew 10.5% driven by the acquisition of Acorn Occupational Health ('Acorn') and Physiologic Limited ('Physiologic'), a physiotherapy chain across the Thames Valley area.

Revenue by location and payor

(£m)	2025			2024			Variance % (2025-2024)		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Total revenue	1,446.1	133.7	1,579.8	1,390.2	121.0	1,511.2	4.0%	10.5%	4.5%
Of which:									
Inpatient	563.7	–	563.7	548.0	–	548.0	2.9%	NM*	2.9%
Daycase	456.3	1.4	457.7	426.6	0.6	427.2	7.0%	NM*	7.1%
Outpatient	398.0	131.4	529.4	388.1	120.2	508.3	2.6%	9.3%	4.2%
Other	28.1	0.9	29.0	27.5	0.2	27.7	2.2%	NM*	4.7%
Total revenue	1,446.1	133.7	1,579.8	1,390.2	121.0	1,511.2	4.0%	10.5%	4.5%
Of which:									
PMI	681.5	2.8	684.3	662.4	1.6	664.0	2.9%	75.0%	3.1%
Self-pay	328.6	8.5	337.1	332.9	8.0	340.9	(1.3)%	6.3%	(1.1)%
Total private	1,010.1	11.3	1,021.4	995.3	9.6	1,004.9	1.5%	17.7%	1.6%
NHS	407.9	87.6	495.5	367.4	80.8	448.2	11.0%	8.4%	10.6%
Other	28.1	34.8	62.9	27.5	30.6	58.1	2.2%	13.7%	8.3%
Total revenue	1,446.1	133.7	1,579.8	1,390.2	121.0	1,511.2	4.0%	10.5%	4.5%

* Not meaningful due to differing trading periods: Tunbridge Wells hospital traded for only three months in 2024 with no activity in 2025, while Acorn and Physiologic recorded nine months and five months of trading respectively in 2025, compared with no trading in 2024.



Chief financial officer's review continued

Revenue on comparable basis (adjusted for the effect of acquisitions and disposals)

(£m)	2025			2024			Variance % (2025-2024)		
	Adjusted revenue	Effect of acquisition and disposal of businesses	Reported revenue	Adjusted revenue	Effect of acquisition and disposal of businesses	Reported revenue	Adjusted revenue	Effect of acquisition and disposal of businesses	Reported revenue
Hospitals Business	1,446.1	–	1,446.1	1,386.5	3.7	1,390.2	4.3%	NM*	4.0%
Primary Care	129.9	3.8	133.7	121.0	–	121.0	7.4%	NM*	10.5%
Group	1,576.0	3.8	1,579.8	1,507.5	3.7	1,511.2	4.5%	2.7%	4.5%

* Not meaningful due to differing trading periods: Tunbridge Wells hospital traded for only three months in 2024 with no activity in 2025, while Acorn and Physiologic recorded nine months and five months of trading respectively in 2025, compared with no trading in 2024.

Cost of sales and gross profit

Group cost of sales increased in the period by £36.1 million, or 4.4% to £863.7 million (2024: £827.6 million) on revenues that increased by 4.5% with the majority of the increase due to inflationary pressures, increased National Insurance and National Minimum Wage. This has been mitigated by strong procurement processes and our transformation cost savings programme.

For the hospitals business, cost of sales increased by 3.5% to £774.8 million (2024: £748.4 million). Gross profit margin for the hospitals business is 46.4%, a slight increase of 20bps from 2024.

Primary care gross profit margin decreased slightly to 33.5% from 34.5%. due to expected losses from the startup to the large outpatient-led clinics which are already generating downstream referrals. 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 revenue, as follows:

(£m)	2025		2024	
	£m	% of Group revenue	£m	% of Group revenue
Clinical staff	389.7	24.7%	375.8	24.9%
Direct costs	337.7	21.4%	325.6	21.5%
Medical fees	136.3	8.6%	126.2	8.4%
Cost of sales	863.7	54.7%	827.6	54.8%
Gross profit	716.1	45.3%	683.6	45.2%

Cost of sales is broken down, and presented as a percentage of revenue split by operating segment, as follows:

(£m)	Hospitals Business				Primary Care			
	2025	% of Hospitals Business revenue	2024	% of Hospitals Business revenue	2025	% of Primary Care revenue	2024	% of Primary Care revenue
Clinical staff	305.7	21.1%	302.0	21.7%	84.0	62.8%	73.9	61.1%
Direct costs	334.7	23.1%	321.8	23.1%	3.0	2.2%	3.7	3.1%
Medical fees	134.4	9.3%	124.6	9.0%	1.9	1.4%	1.6	1.3%
Cost of sales	774.8	53.6%	748.4	53.8%	88.9	66.5%	79.2	65.5%
Gross profit	671.3	46.4%	641.8	46.2%	44.8	33.5%	41.8	34.5%

Other operating costs

For the hospitals business other operating costs, excluding adjusting items of £27.6 million (2024: £12.6 million), have increased by £21.2 million, or 4.2% to £527.8 million (2024: £506.6 million). The main driver is increased National Insurance and National Minimum Wage and increased IT costs offset by transformation savings. Depreciation and amortisation for the year was £111.9 million (2024: £106.4 million). The increase in depreciation is in line with expectations and is due to continued capex investment and RPI increases on property leases. Operating margin is 8.2% (2024: 9.7%) and operating margin, excluding adjusting items is 10.2%, down from 10.3% in 2024.

Other operating costs for the primary care business are £41.5 million (2024: £39.5 million). Depreciation and amortisation for the year was £6.2 million (2024: £4.2 million).

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 2025, the charge to the income statement is £2.1 million (2024: £4.2 million), or £2.7 million inclusive of National Insurance (2024: £4.7 million). Further details are contained in Note 29.

Adjusting items

(£m)	2025	2024
Asset acquisitions, disposals, impairment and aborted project costs	4.0	(2.8)
Clinic set up costs	0.2	1.9
Business reorganisation and corporate restructuring costs	20.5	4.3
Remediation of regulatory compliance or malpractice costs	1.7	6.9
Amortisation on acquired intangible assets	1.5	1.6
Total pre-tax adjusting items	27.9	11.9
Income tax (credit)/charge on adjusting items	(6.0)	(1.8)
Total post-tax adjusting items	21.9	10.1

Adjusting items comprise those matters where the directors believe the financial effect should be adjusted for due to their nature or amount, in order to provide a more comparable measure of the group's underlying performance.

Asset acquisitions, disposals, impairment and aborted project costs include £0.8 million relating to the group's acquisitions of Acorn and Physiologic. An additional £0.8 million relating to Regents Gate, of which £0.5 million represents an impairment charge. This impairment is disclosed within Assets Held for Sale (see Note 21). Refer to acquisition Note 35 for more details. In the prior year, a credit of £4.5 million was included for the sale of the group's Tunbridge Wells hospital. Whilst other costings associated to the integration of VHG acquisition and a true-up in provisions for DCG and Claremont acquisitions.

Business reorganisation and corporate restructuring relate to the group announcement of a group wide transformation programme that will enable a more efficient business operating model, including leveraging digital solutions and technology. As announced, the group are restructuring clinical staffing models to provide more agile and flexible resourcing and relocating admin roles to our patient support centres. As a result of these initiatives, additional costs of £13.1 million (2024: £3.5 million) have been incurred in the period, bringing costs to date of £22.4 million. This initiative is being implemented over several phases and is likely to be materially completed at the end of 2027 as communicated at our capital markets event in April 2024.

**Chief financial officer's review** continued

Future costs are not disclosed as a reliable estimate cannot be made due to the nature of the matter. In addition, the group incurred costs of £7.4 million as it undertook a strategic review of the business.

Remediation of regulatory compliance or malpractice costs of £1.7 million (2024: £1.7 million) relates to legal fees that have been incurred for the ongoing inquests.

In the prior year, Spire Healthcare increased its provision by £4.6 million to reflect the expected costs of implementing the Public Inquiry recommendations, including conducting a comprehensive patient review and providing support to Paterson's patients. By H2 2024, all living patients had been contacted and invited for consultations where appropriate to discuss their care. As a result, this led to a notable reduction in new claims as most patients have now had the outcomes of their reviews. Claims in the current year have remained consistent with management's original assumptions and the previously recognised provision; as a result, no additional charge has been recorded in this financial year. While future adjustments may be necessary as further information becomes available, the existing provision continues to represent management's best estimate of the costs and anticipated claim settlements.

£1.5 million (2024: £1.6 million) of amortisation on acquired intangible assets related to the customer contracts recognised on the acquisition of VHG in 2023, Acorn in March 2025 and Physiologic in July 2025.

Net finance costs

Net finance costs have increased by £4.8 million to £104 million (2024: £99.2 million). Mainly due to new leases and annual RPI increases on leases.

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)	2025	2024
Profit before taxation	18.6	38.3
Tax at the standard rate	4.7	9.6
Effects of:		
Expenses and income not deductible or taxable	1.8	1.1
Adjustment for movement on share-based payments	0.8	0.3
Adjustments in respect of prior year	(5.9)	1.3
Total tax charge	1.4	12.3

Corporation tax is calculated at 25.0% (2024: 25.0%) of the estimated taxable profit or loss for the year.

The tax charge of £1.4 million (2024: £12.3 million) includes a prior-year adjustment of £5.9 million credit, which is due to a one-off capital allowances claim covering multiple years. This has resulted in a significant reduction in the tax charge for the year reflecting the additional tax benefits derived from the review. The benefit of this claim will flow through to future periods, enabling greater tax relief in later years.

The effective tax rate on profit before taxation for the year of 7.5% (2024: 32.1%), is not considered meaningful due to the significant prior year adjustments. The group calculates an underlying tax rate on an adjusted basis to remove the effect of distorting items such as prior year adjustments, non-recurring transactions and share

based payments. The underlying tax rate is 28.4% (2024: 29.8%) which is higher than the statutory rate due to expenses and income that are not deductible and depreciation on non-qualifying fixed assets.

Profit after taxation

The profit after taxation for the year ended 31 December 2025 was £13.2 million (2024: £26.0 million). This includes adjusting items of £27.9 million, primarily driven by £13.1 million of transformation costs involving one-off restructuring, and £7.4 million of costs related to the previously disclosed strategic review process.

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.

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

Group adjusted EBITDA increased by 3.3% to £268.6 million from £260.0 million, 3.2% on a comparable basis.

Hospitals business adjusted EBITDA increased by 3.6% to £258.8 million from £249.7 million, 3.9% on a comparable basis, protecting margin at 17.9% (2024: 18.0%), supported by £30.0 million of transformation savings and effective price and specialty mix management, offsetting National Insurance and National Minimum Wage rises and the slowdown in NHS activity.

Primary care adjusted EBITDA declined 4.9% to £9.8 million from £10.3 million, 13.6% on a comparable basis, which included expected losses from start-up outpatient clinics that are already generating downstream referrals.



Chief financial officer's review continued

Adjusted EBITDA, Adjusted EBIT and Adjusted EBITDA margin

(£m)	Year ended 31 December					
	2025			2024		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Operating profit	119.3	3.3	122.6	135.2	2.3	137.5
Remove effects of:						
Adjusting items	27.6	0.3	27.9	8.1	3.8	11.9
Adjusted EBIT	146.9	3.6	150.5	143.3	6.1	149.4
Depreciation	111.9	3.6	115.5	106.4	1.6	108.0
Amortisation	–	2.6	2.6	–	2.6	2.6
Adjusted EBITDA	258.8	9.8	268.6	249.7	10.3	260.0
Revenue	1,446.1	133.7	1,579.8	1,390.2	121.0	1,511.2
Adjusted EBITDA	258.8	9.8	268.6	249.7	10.3	260.0
Adjusted EBITDA margin	17.9%	7.3%	17.0%	18.0%	8.5%	17.2%

Adjusted EBITDA on comparable basis (adjusted for the effect of acquisitions and disposals)

(£m)	2025			2024			Variance % (2025-2024)		
	Comparable Basis Adjusted EBITDA	Effect of acquisition and disposals of businesses	Reported Adjusted EBITDA	Comparable Basis Adjusted EBITDA	Effect of acquisition and disposals of businesses	Reported Adjusted EBITDA	Comparable Basis Adjusted EBITDA	Effect of acquisition and disposals of businesses	Reported Adjusted EBITDA
	Hospitals Business	258.8	–	258.8	249.2	0.5	249.7	3.9%	NM*
Primary Care	8.9	0.9	9.8	10.3	–	10.3	(13.6)%	NM*	(4.9)%
Group	267.7	0.9	268.6	259.5	0.5	260.0	3.2%	80.0%	3.3%

* Not meaningful due to differing trading periods: Tunbridge Wells hospital traded for only three months in 2024 with no activity in 2025, while Acorn and Physiologic recorded nine months and five months of trading respectively in 2025, compared with no trading in 2024.

Primary Care Adjusted EBITDA on comparable basis after adjusting for effect of new clinics

(£m)	2025			2024			Variance % (2025-2024)		
	Comparable Basis Adjusted EBITDA after the effect of new clinics	Effect of new clinics	Comparable Basis Adjusted EBITDA	Comparable Basis Adjusted EBITDA after the effect of new clinics	Effect of new clinics	Comparable Basis Adjusted EBITDA	Comparable Basis Adjusted EBITDA after the effect of new clinics	Effect of new clinics	Comparable Basis Adjusted EBITDA
	Primary Care	10.0	(1.1)	8.9	10.5	(0.2)	10.3	(4.8)%	NM*

Adjusted EBIT on comparable basis (adjusted for the effect of acquisitions and disposals)

(£m)	2025			2024			Variance % (2025-2024)		
	Comparable Basis Adjusted EBIT	Effect of acquisition and disposals of businesses	Reported Adjusted EBIT	Comparable Basis Adjusted EBIT	Effect of acquisition and disposals of businesses	Reported Adjusted EBIT	Comparable Basis Adjusted EBIT	Effect of acquisition and disposals of businesses	Reported Adjusted EBIT
	Hospitals Business	146.9	–	146.9	143.0	0.3	143.3	2.7%	NM*
Primary Care	2.8	0.8	3.6	6.1	–	6.1	(54.1)%	NM*	(41.0)%
Group	149.7	0.8	150.5	149.1	0.3	149.4	0.4%	NM*	0.7%

* Not meaningful due to differing trading periods: Tunbridge Wells hospital traded for only three months in 2024 with no activity in 2025, while Acorn and Physiologic recorded nine months and five months of trading respectively in 2025, compared with no trading in 2024.

Adjusted profit after tax and adjusted earnings per share

Adjustments have been made to remove the impact of non-recurring items.

(£m)	Year ended 31 December	
	2025	2024
Profit before tax	18.6	38.3
Adjustments for:		
Adjusting items - operating costs	27.9	11.9
Adjusted profit before tax	46.5	50.2
Taxation ⁽¹⁾	(7.4)	(14.1)
Adjusted profit after tax	39.1	36.1
Adjusted profit after tax attributable to owners of the Parent	38.3	35.5
Adjusted profit after tax attributable to non-controlling interests	0.8	0.6
Weighted average number of ordinary shares in issue (No.)	400,382,458	403,493,123
Adjusted basic earnings per share (pence)	9.6	8.8

1. Reported tax charge for the period adjusted for the tax effect of adjusting items.

Return on capital employed

(£m)	Year ended 31 December	
	2025	2024
Adjusted EBIT	150.5	149.4
Total assets	2,377.1	2,343.2
less: Cash and cash equivalents	(34.7)	(41.2)
less: Capital investments	(115.9)	(127.2)
less: Current liabilities	(346.8)	(341.7)
Capital employed	1,879.7	1,833.1
Return on capital employed %	8.0%	8.2%

**Chief financial officer's review** continued

Adjusted EBIT rose 0.7% to £150.5 million from £149.4 million, 0.4% on a comparable basis, contributing to ROCE reaching 8.0% (FY24: 8.2%). Excluding NI and NMW rises, ROCE increased to 8.5%. Our multi-year, cross-functional transformation programme which is centered on care quality, a diversified payor strategy focused on high-margin work, and our evolution into an integrated healthcare provider through expansion into the inherently capital-light primary care segment have all been key in driving sustainable returns

Total capital expenditure was £78.5 million (FY24: £112.1 million). Our capex has remained growth focused, which contributes to efficiency gains and revenue growth over the medium term.

Adjusted free cash flow

(£m)	Year ended 31 December	
	2025	2024
Adjusted EBITDA	268.6	260.0
less: Rental payments	(116.2)	(102.3)
less: Cash flow for the purchase of property, plant and equipment	(78.5)	(112.1)
less: Working capital movement	(5.2)	(7.0)
add/(less): Adjustments for non-recurring items	(4.4)	0.4
Adjusted FCF	64.3	39.0

Adjusted free cash flow grew 64.9% to £64.3 million, reflecting well controlled capex and effective working capital management within the evolving NHS dynamics.

Cash flow analysis for the period

(£m)	Year ended 31 December	
	2025	2024
Opening cash balance	41.2	49.6
Operating cash flows before recurring items	257.7	244.3
add/(less) : adjustments for non-recurring items	4.4	(2.6)
Operating cash flows before Adjusting items and income paid	262.1	241.7
Net cash flow from Adjusting items (included in operating cash flows)	(19.7)	(5.9)
Income tax paid	(0.2)	(0.1)
Operating cash flows after operating Adjusting items and income tax	242.2	235.7
Net cash in investing activities	(76.5)	(99.0)
Cash outflow for acquisition of subsidiary	(7.7)	–
Net cash in financing activities	(164.5)	(145.1)
Closing cash balance	34.7	41.2

Closing cash balance

The group's year end cash balance stood at £34.7 million, which reflects a reduction of £6.5 million against the prior year balance of £41.2 million. The reduction in cash is largely due to increased financing activities of £17.5 million offset by a reduction in investing activities of £14.8 million. 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 £257.7 million (2024: £244.3 million), which constitutes a cash conversion rate from £268.6 million adjusted EBITDA of 95% (2024: 94% conversion of £260.0 million adjusted EBITDA). The net cash outflow from movements in working capital in the period was £5.2 million (2024: £7.0 million outflow).

Investing and financing cash flows

Net cash outflow in investing activities for the period was £84.2 million (2024: £99.0 million). Cash outflow for the purchase of plant, property and equipment in the period totalled £78.5 million (2024: £112.1 million). Our capex has remained growth focused, which contributes to efficiency gains and revenue growth over the medium term. Capital investments in the year includes patient support centres, digitalisation and automation, MRI scanners and AI software on existing machines to improve throughput and robotic surgery platforms.

Net cash used in financing activities for the period was £164.5 million (2024: £145.1 million). Cash outflows included interest paid and other financing costs of £105.0 million (2024: £98.1 million), lease liability payments of £35.1 million (2024: £26.2 million), a final dividend payment of £9.2 million (2024: £8.5 million), purchase of the remaining interest of Montefiore House Limited of £5.2 million and £8.7 million for the buyback of shares to settle share awards.

Borrowings

At 31 December 2025, the group has bank borrowings of £367.1 million (2024: £367.1 million), drawn under facilities which mature in August 2028.

(£m)	Year ended 31 December	
	2025	2024
Cash	34.7	41.2
Bank borrowings	367.1	367.1
Bank borrowings less cash and cash equivalents	332.4	325.9

On 24 November 2025, the group successfully extended its existing debt facilities to maturity of August 2028. The financial covenants relating to this new agreement are materially unchanged and no modifications have been made other than to extend the term, with leverage to be below 4.0x and interest cover to be in excess of 4.0x. As at 31 December 2025 the leverage measure stood at 2.0x (2024:2.0x) and interest cover of 7.5x (2024: 7.5x).

As at 31 December 2025 lease liabilities were £948.7 million (2024: £912.8 million).

Dividend

The directors of Spire Healthcare have recommended the payment of a final dividend of 1.5 pence per share for the year ending 31 December 2025, subject to shareholder approval at the forthcoming Annual General Meeting.

Related party transactions

There were no significant related party transactions during the period under review.



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 2025 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 2025 which comprise:

Group	Parent company
Consolidated balance sheet as at 31 December 2025	Balance sheet as at 31 December 2025
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.



Independent auditor's report continued

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, 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 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 assessment.

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 2027. 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 2027 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, shortage in healthcare professionals and the impact on NHS referrals due to current budgetary constraints 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 assessed the accuracy of management's covenant forecast model on the base case, verifying inputs to the board approved forecasts and facility agreement terms.
- We obtained the signed extension to the Senior Loan Facility dated 24 November 2025 and understood the terms, including maturity and amendment fee and the impact on covenant and liquidity compliance in the going concern period.
- 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.

In relation to the Strategic review (in each case, noting that there can be no certainty that a firm intention to make an offer pursuant to Rule 2.7 of the UK Takeover Code will be made, nor as to the terms on which any offer might be made):-

- We obtained an update from management and the Audit and Risk Committee including the sequencing of events in the event of any Takeover Code Rule 2.7 announcement by a potential offeror.
- We corroborated the update provided by management with Spire's external advisor.
- We read the group's borrowing facility agreements to assess the impact of any potential transaction on the facility and to understand the process to be followed in the event of any potential transaction.

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, impact of the strategic review and thorough 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 25% 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 August 2028. No loan repayments are due in the going concern period. The Board has considered the impact of the strategic review and concluded that the Group is a going concern.

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 2027.

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.



Independent auditor's report continued

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 fifteen 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 through unauthorised changes made to the pricing master file – Misstatement due to management posting fraudulent manual journal entries to revenue
Materiality	– Overall group materiality of £6.2m which represents 2.5% of Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA'), adjusted for £7.4m in relation to specific adjusting items.

An overview of the scope of the parent company and group audits

Tailoring the scope

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 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 balances and transactions, cash and cash equivalents, revenue, taxation, borrowings 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 largest trading entity within the hospitals segment of the group and the head office corporate entity. We then identified an additional fifteen 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 the remainder of the group's key trading entities across the primary care segment and hospitals segment.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the group significant financial statement account balance.

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 no further components of the group to include in our audit scope to address these risks. Of the seventeen components within the scope of audit, we designed and performed audit procedures on the entire financial information of two components ('full scope component'). For fifteen 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.

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 reputational risk if the group is perceived to be lagging in its environmental commitments. These are explained on pages 67 to 72 in the required Task Force for Climate related Financial Disclosures and on page 60 in the principal risks and uncertainties. They have also explained their climate commitments within the sustainability report on pages 32 to 38. 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.



Independent auditor's report continued

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.

Risk	Our response to the risk	Key observations communicated to the audit committee
<p>Risk of impairment to intangible and tangible assets</p> <p><i>Refer to the Audit Committee Report (page 101); Accounting policies (page 133); and Note 14 and 15 of the Consolidated Financial Statements (pages 142 & 143)</i></p> <p>At 31 December 2025 the carrying value of intangible and tangible assets was £1,692.1m (2024: £1,663.4m) including hospital properties' right of use assets of £666.1m (2024: £642.2m) and goodwill of £419.7m (2024: £411.6m).</p> <p>The UK economic environment continues to be challenged by factors including high wage 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 and budgetary constraints in the NHS.</p> <p>No impairment has been recognised (2024: £0m).</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> – 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 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 as 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 2025 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. <p>In addition, we worked with our EY internal valuation specialists to:</p> <ul style="list-style-type: none"> – 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. <p><i>Disclosures</i></p> <p>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.</p> <p>We performed full scope centralised audit procedures over this risk area.</p>	<p>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, capital maintenance expenditure, discount rates and long-term growth rates applied to the terminal values were reasonable.</p> <p>We highlighted that for the third CGU a reasonably possible change of a reduction of 10.1% in the EBITDA growth rate would result in impairment of £1.9m. In addition, for the second CGU, a reasonably possible change of an increase of 1.1% in the discount rate would result in impairment of £0.1m.</p> <p>We have not identified any reasonably possible changes in key assumptions that could lead to impairment charges to intangible assets.</p> <p>We concluded that appropriate disclosures have been made in the financial statements as required.</p>



Independent auditor's report continued

Risk	Our response to the risk	Key observations communicated to the audit committee
<p>Revenue recognition: Manipulation of NHS revenue through unauthorised changes made to the pricing master file</p> <p><i>Refer to the Audit Committee Report (page 101); Accounting policies (page 131); and Note 4 of the Consolidated Financial Statements (page 138)</i></p> <p>NHS revenue associated with this risk 2025: £386.7m (2024: £367.5m)</p> <p>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.</p> <p>We consider the pressure to achieve forecast results or targets increases the risk of financial reporting manipulation by management.</p>	<p>We have performed the following procedures to gain assurance over NHS pricing:</p> <ul style="list-style-type: none"> – We used data analytics to assess the accuracy of all the FY25 NHS billing data to publicly available NHS national tariff base prices, adjusted for geographical pricing. – 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 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 FY25, to understand if there were any revenue findings specific to NHS pricing which required further enquiry or corroboration. <p>We performed full scope audit procedures over this risk area which covered 100% of NHS revenue impacted by the risk identified.</p>	<p>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.</p> <p>We did not identify any indicators of pricing disputes with the NHS.</p> <p>Based on our audit procedures performed, we concluded that revenue for the year is appropriately recognised and free from material misstatement.</p>
<p>Misstatement due to management posting fraudulent manual journal entries to revenue</p> <p><i>Refer to the Audit Committee Report (page 101); Accounting policies (page 131); and Note 4 of the Consolidated Financial Statements (page 138)</i></p> <p>Our assessment is that the majority of the revenue transactions are non-complex, with no judgement applied over the amount recorded.</p> <p>We consider there is a potential for management override to achieve revenue targets via topside manual journal entries posted to revenue.</p>	<p>We have performed the following procedures to gain assurance manual journal entries to revenue:</p> <ul style="list-style-type: none"> – 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. <p>Using our data analytics tool, we have understood revenue trends through the use of analytics as follows:</p> <ul style="list-style-type: none"> – 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. – Identifying revenue trends which do not correlate with our expectation and investigating and corroborating these uncorrelated trends. <p>We performed full scope and specific scope audit procedures over this risk area which covered of 100% revenue impacted by the risk identified.</p>	<p>Based on our audit procedures we concluded that revenue, and adjustments to revenue, are appropriately recognised and recorded.</p>

**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 £6.2 million (2024: £6.5 million), which is 2.5% of EBITDA adjusted for £7.4m in relation to specific adjusting items (2024: 2.6% of EBITDA). 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 £13.7 million (2024: £13.0 million), which is 1% (2024: 1%) of Equity.

Starting basis	– EBITDA: £240.7 million
↓	
Adjustments	– Non-recurring costs of £7.4m have been recognised in respect of the ongoing strategic review.
↓	
Materiality	– Total EBITDA: £248.1 million – Materiality of £6.2 million (2.5% materiality basis)

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.

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% (2024: 50%) of our planning materiality, namely £3.1 million (2024: £3.2 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 £0.6 million to £2.8 million (2024: £0.7 million to £3.0 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £0.3 million (2024: £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 to 117 and pages 164 to 169, including the strategic report and 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.

**Independent auditor's report** continued**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 116;
- 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 116;
- 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 116;
- Directors' statement on fair, balanced and understandable set out on page 117;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 55;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 57; and
- The section describing the work of the audit committee set out on page 98.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 117, 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.

**Independent auditor's report** continued

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, 2024 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 and 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 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 11 years, covering the years ending 31 December 2014 to 31 December 2025.
- 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.

Kate Allen
Senior statutory auditor

for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading

4 March 2026



Consolidated income statement

For the year ended 31 December 2025

(£m)	Note	2025			2024		
		Total before Adjusting items	Adjusting items (Note 11)	Total	Total before Adjusting items	Adjusting items (Note 11)	Total
Revenue	4	1,579.8	–	1,579.8	1,511.2	–	1,511.2
Cost of sales		(863.7)	–	(863.7)	(827.6)	–	(827.6)
Gross profit		716.1	–	716.1	683.6	–	683.6
Other operating costs	8	(569.0)	(27.9)	(596.9)	(542.3)	(16.4)	(558.7)
Other income	6	3.4	–	3.4	8.1	4.5	12.6
Operating profit (EBIT)	8	150.5	(27.9)	122.6	149.4	(11.9)	137.5
Finance income	10	1.0	–	1.0	0.7	–	0.7
Finance cost	10	(105.0)	–	(105.0)	(99.9)	–	(99.9)
Profit before taxation		46.5	(27.9)	18.6	50.2	(11.9)	38.3
Taxation	12	(7.4)	6.0	(1.4)	(14.1)	1.8	(12.3)
Profit for the year		39.1	(21.9)	17.2	36.1	(10.1)	26.0
Profit for the year attributable to owners of the parent		38.3	(21.9)	16.4	35.5	(10.1)	25.4
Profit for the year attributable to non-controlling interests		0.8	–	0.8	0.6	–	0.6
Earnings per share (in pence per share)							
– basic	13	9.6	(5.5)	4.1	8.8	(2.5)	6.3
– diluted	13	9.4	(5.4)	4.0	8.6	(2.4)	6.2

The notes on pages 130-158 form an integral part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2025

(£m)	Note	2025	2024
Profit for the year		17.2	26.0
Items that may be reclassified to profit or loss in subsequent periods			
Loss on cash flow hedges	22	(2.9)	(1.5)
Taxation on cash flow hedges		0.9	0.3
Other comprehensive loss for the year		(2.0)	(1.2)
Total comprehensive profit for the year, net of tax		15.2	24.8
Attributable to:			
Equity holders of the parent		14.4	24.2
Non-controlling interests		0.8	0.6
		15.2	24.8

The notes on pages 130-158 form an integral part of these financial statements.



Consolidated statement of changes in equity

For the year ended 31 December 2025

(£m)	Note	Share capital	Share premium	Capital reserves	Capital redemption reserve	EBT share reserve	Hedging reserve	Retained loss	Equity attributable to owners of the parent	Non-controlling interests	Total equity
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 to equity holders of the parent	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 of tax obligation on vested equity settled share awards	29	–	–	–	–	–	–	(5.4)	(5.4)	–	(5.4)
Purchase of own shares by EBT		–	–	–	–	(3.1)	–	–	(3.1)	–	(3.1)
Utilisation of EBT shares for share awards		–	–	–	–	2.9	–	(2.9)	–	–	–
Purchase of ordinary shares for cancellation		–	–	–	–	–	–	(3.1)	(3.1)	–	(3.1)
As at 1 January 2025		4.0	830.0	376.1	–	(0.9)	2.1	(462.9)	748.4	(2.2)	746.2
Profit for the year		–	–	–	–	–	–	16.4	16.4	0.8	17.2
Other comprehensive loss for the year		–	–	–	–	–	(2.0)	–	(2.0)	–	(2.0)
Total comprehensive loss for the year		–	–	–	–	–	(2.0)	16.4	14.4	0.8	15.2
Dividends paid to equity holders of the parent	28	–	–	–	–	–	–	(9.2)	(9.2)	–	(9.2)
Dividends paid to non-controlling interests	28	–	–	–	–	–	–	–	–	(0.5)	(0.5)
Share-based payments	29	–	–	–	–	–	–	1.6	1.6	–	1.6
Deferred tax adjustment on share-based payments reserve		–	–	–	–	–	–	(0.1)	(0.1)	–	(0.1)
Settlement of tax obligation on vested equity settled share awards	29	–	–	–	–	–	–	(3.0)	(3.0)	–	(3.0)
Purchase of own shares by EBT		–	–	–	–	(8.7)	–	–	(8.7)	–	(8.7)
Utilisation of EBT shares for share awards		–	–	–	–	5.4	–	(3.2)	2.2	–	2.2
Additional interest acquired of non-controlling interests	17	–	–	–	–	–	–	(2.8)	(2.8)	2.8	–
As at 31 December 2025		4.0	830.0	376.1	–	(4.2)	0.1	(463.2)	742.8	0.9	743.7

The notes on pages 130-158 form an integral part of these financial statements.



Consolidated balance sheet

As at 31 December 2025

(£m)	Note	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	14	1,692.1	1,663.4
Intangible assets	15	444.8	437.4
Other receivables	23	4.3	4.4
Derivatives	23	–	0.4
Financial assets	16	14.4	12.3
		2,155.6	2,117.9
Current assets			
Financial assets	16	–	2.5
Inventories	18	46.2	46.6
Trade and other receivables	19	136.5	131.4
Derivatives	23	0.2	2.5
Cash and cash equivalents	20	34.7	41.2
		217.6	224.2
Non-current assets held for sale	21	3.9	1.1
		221.5	225.3
Total assets		2,377.1	2,343.2
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	(4.2)	(0.9)
Hedging reserve		0.1	2.1
Retained loss		(463.2)	(462.9)
Equity attributable to owners of the parent		742.8	748.4
Non-controlling interests	17	0.9	(2.2)
Total equity		743.7	746.2
Non-current liabilities			
Bank borrowings	23	364.0	363.5
Lease liabilities	23	841.1	811.0
Derivatives	23	0.2	–
Deferred tax liabilities	25	81.3	80.8
		1,286.6	1,255.3
Current liabilities			
Bank borrowings	23	3.1	3.6
Lease liabilities	23	107.6	101.8
Provisions	26	16.3	14.2
Trade and other payables	27	218.1	214.0
Financial liabilities	24	1.6	8.0
Income tax payable		0.1	0.1
		346.8	341.7
Total liabilities		1,633.4	1,597.0
Total equity and liabilities		2,377.1	2,343.2

These consolidated financial statements and the accompanying notes were approved for issue by the board on 4 March 2026 and signed on its behalf by:

Justin Ash
Chief Executive Officer

Harbant Samra
Chief Financial Officer

The notes on pages 130-158 form an integral part of these financial statements.



Consolidated statement of cash flows

For the year ended 31 December 2025

(£m)	Notes	2025	2024
Cash generated from operations	30	242.4	235.8
Tax paid		(0.2)	(0.1)
Net cash from operating activities		242.2	235.7
Cash flows from investing activities			
Receipt from financial asset		1.0	0.7
Acquisition of a subsidiary, net of cash acquired		(7.7)	–
Purchase of property, plant and equipment		(76.3)	(109.3)
Purchase of intangible assets		(2.2)	(2.8)
Interest on finance lease receivables		0.6	–
Proceeds on disposal of property, plant and equipment		–	11.7
Interest received on bank deposits		0.4	0.7
Net cash used in investing activities		(84.2)	(99.0)
Cash flows from financing activities			
Interest paid and other financing costs		(23.9)	(22.0)
Interest on lease liabilities		(81.1)	(76.1)
Payment of lease liabilities		(35.1)	(26.2)
Draw down on revolving credit facility		55.0	5.0
Repayment on revolving credit facility		(55.0)	(5.0)
Proceeds from issue of shares by EBT		2.2	–
Purchase of own shares by EBT		(8.7)	(3.1)
Purchase of non-controlling interests		(5.2)	–
Settlement of tax obligation on vested equity settled share awards	29	(3.0)	(5.4)
Dividends paid to equity holders of the parent		(9.2)	(8.5)
Dividends paid to non-controlling interests		(0.5)	(0.7)
Purchase of ordinary shares for cancellation		–	(3.1)
Net cash used in financing activities		(164.5)	(145.1)
Net decrease in cash and cash equivalents		(6.5)	(8.4)
Cash and cash equivalents at 1 January		41.2	49.6
Cash and cash equivalents at 31 December	20	34.7	41.2
Adjusting items (Note 11)			
Adjusting items paid included in the cash flow		(19.7)	(10.4)
Total pre-tax adjusting items	11	(27.9)	(11.9)

The notes on pages 130-158 form an integral part of these financial statements.



Notes to the financial statements

For the year ended 31 December 2025

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 2025 were authorised for issue by the board of directors of the company on 4 March 2026.

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 2027. As at 31 December 2025, the group had cash of £34.7 million and borrowings of £365 million of which £325 million is a Senior Loan Facility (SFA) and £40 million drawn Revolving Credit Facility (RCF). The group has access to a further £60 million which remains undrawn under the RCF. On 24 November 2025, the group successfully extended the term of the bank facility (both SFA and RCF) by 18 months to August 2028. The financial covenants associated with the bank facility remain materially unchanged and no modifications have been made other than to extend the term.

The group has undertaken extensive activity to identify plausible risks that may arise and to assess the mitigating actions available, which in the first instance would include constrained levels of discretionary capital investment. Based on the current assessment of the likelihood of these risks arising by 30 June 2027, together with their assessment of the planned controllable 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, more sensitively, a breach of financial covenants. However, the risk of this is considered remote based on available controllable mitigating factors.

The group has also assessed, as part of its reverse stress testing, the degree of downturn in trading it could sustain before it breaches its financial covenants. This stress testing was based on flexing revenue downwards from the group's current forecast with a consistent percentage decline in variable costs and fixed costs. The base case forecast assumes a continuation of current trading performance, which is broadly in line with expectations, and assumes modest revenue growth over the going concern period, stable gross margins, and continued cost control. The downside scenarios model a range of stress events, including a decline in revenue and inflationary pressures on operating costs. These scenarios were selected to reflect plausible but severe macroeconomic and sector-specific risks. 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 25% 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 based on current trading performance and outlook.

It should be noted that we remain in a period of material geopolitical and macroeconomic uncertainty. The directors continue to closely monitor these risks and their plausible impact.

On 19 September 2025, the board commenced a formal strategic review to maximise shareholder value (the strategic review). On 24 January 2026, the company announced, as part of the strategic review, that it was in discussion with parties (the discussions) pursuant to Rule 2.4 of the UK Takeover Code. The deadline by which the parties must announce their intentions has been extended to 21 March 2026. There can be no certainty that a firm intention to make an offer will be made nor the terms on which any offer might be made (Rule 2.7 of the UK Takeover Code). There can be no certainty as to the outcome or the timing of the strategic review and given the early stages and uncertainties of the discussions, the directors have undertaken appropriate analysis to understand the impact of the potential implications of the discussions. As such, the going concern assessment does not assume the successful completion of any outcome arising from the strategic review.

Taking account of the above factors, the board concluded that it remained appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements. The board has a reasonable expectation that the company and the group will each continue to operate as a going concern for the period to 30 June 2027.

Further detail on both macroeconomic-related risk is provided in the risk management and internal control section from page 55.

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 refinanced its existing senior finance facility and revolving credit facility in November 2025, and
- The government will not make significant changes to its existing policy towards utilising private provision of healthcare services to supplement the NHS.

**Notes to the financial statements** continued**2. Accounting policies** continued**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 recognition – principal versus agent

The group assesses whether it acts as principal or agent in arrangements involving third-party delivery partners.

Under IFRS 15, the group is a principal when it controls the specified services before they are transferred to the customer. The group is an agent when it does not control those services, but instead arranges for another party to provide them. Revenue is recognised gross when acting as principal and net when acting as agent.

Judgement is required in determining whether the group controls the specified services. Indicators include:

- whether the third-party provider, rather than the group, is primarily responsible for delivering the services
- whether the third party bears delivery, performance, or financial risk
- whether consideration received by the group is largely passed through to the delivery partner
- whether the group has limited discretion in directing or substituting the service provider

Where third-party providers deliver defined portions of services, carry direct performance or financial exposure, and the group retains only a coordination or administrative role, the group concludes it is an agent for those portions. The group reassesses this judgement if contractual terms or the nature of the group's involvement change.

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 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.



Notes to the financial statements continued

2. Accounting policies continued**Taxation, including deferred taxation** continued

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.

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.

**Notes to the financial statements** continued**2. Accounting policies** continued**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 2025 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	– 5 to 15 years
Software	– 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.

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.



Notes to the financial statements continued

2. Accounting policies continued**i) Financial assets other than derivatives** continued**Financial Instruments** continued**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.

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 changes 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.

**Notes to the financial statements** continued**2. Accounting policies** continued**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.

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.



Notes to the financial statements continued

2. Accounting policies continued**Share-based payments continued**

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.

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 amount 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 2025. These amendments have not had a material impact.

	Effective date*
Amendments to IAS 21 – Lack of Exchangeability	1 January 2025

* 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
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	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 financial statements.



Notes to the financial statements continued

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.

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.

Revenue recognition – principal versus agent

Judgement is required when the group assesses whether it acts as principal or agent in arrangements involving third-party delivery partners. These judgements are made in line with the group's accounting policy for revenue recognition – principal versus agent.

Where third-party providers deliver defined services, carry direct performance or financial exposure, and the group retains only a coordination or administrative role, the group concludes it is not principal for those services. The group reassesses this judgement if contractual terms or the nature of the group's involvement change.

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:

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:

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.

Separately, management also recognises that some of the key impairment review assumptions constitute a source of estimation uncertainty. While reasonably possible changes do not give rise to an impairment, these assumptions are influenced by external market conditions and internal operational factors. As a result, management considers these assumptions to represent a source of estimation uncertainty. The assumptions considered to be most critical in reviewing goodwill for impairment are contained in Note 15.

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 2025 is £4.1 million (December 2024: £6.2 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.



Notes to the financial statements continued

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)	2025			2024		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Inpatient	563.7	–	563.7	548.0	–	548.0
Day case	456.3	1.4	457.7	426.6	0.6	427.2
Out-patient	398.0	131.4	529.4	388.1	120.2	508.3
Other*	28.1	0.9	29.0	27.5	0.2	27.7
Total revenue	1,446.1	133.7	1,579.8	1,390.2	121.0	1,511.2
Insured	681.5	2.8	684.3	662.4	1.6	664.0
Self-pay	328.6	8.5	337.1	332.9	8.0	340.9
NHS	407.9	87.6	495.5	367.4	80.8	448.2
Other*	28.1	34.8	62.9	27.5	30.6	58.1
Total revenue	1,446.1	133.7	1,579.8	1,390.2	121.0	1,511.2

* 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 4.5% to £1,579.8 million (2024: £1,511.2 million) driven by growth in both the Hospitals Business and Primary Care. Hospitals business revenue has increased by 4.0% to £1,446.1 million (2024: £1,390.2 million), supported by higher Average Revenue per Case (ARPC) across all payor groups and strong Private Medical Insurance (PMI) performance. NHS revenue also grew strongly, reflecting higher activity levels, particularly in the first half of the year, with ARPC growth broadly aligned to tariff.

Overall Hospitals performance benefitted from continued price and case-mix optimisation, contributing to volume growth of 1.2% and ARPC growth of 3.9%. Primary Care revenue increased 10.5% to £133.7 million (2024: £121 million), driven by strong organic growth in Talking Therapies under the Vita brand and the expansion of the clinic network, which, while incurring early start-up costs, enhances integrated care pathways and supports downstream referrals to hospitals.

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 two operating segments, being hospitals business and primary care.

The hospitals business is the group's core business activity and consists of hospitals, 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.

Primary care encompasses services focused on the primary care needs of outpatients, including GP services, occupational health services or mental and physical health services. This segment includes the activities of Vita Health Group (VHG), Doctors Clinic Group (DCG) and clinics.

During 2025, the group completed the integration of VHG and DCG into a unified primary care platform. While VHG and DCG remain separate legal entities for statutory purposes, they are no longer considered distinct operating segments under IFRS 8. This is because the chief operating decision maker no longer reviews discrete financial information for these entities individually. Instead, performance is assessed at the consolidated primary care level, which reflects the group's strategic and operational integration of these services.

This integration included:

- The appointment of a unified leadership team and central management structure
- Consolidated governance and reporting processes
- Joint tendering and bundled service offerings across the entities
- Alignment of services by payor group (eg, NHS, Employers, B2C).

As a result, the primary care segment is now managed and monitored as a single operating segment. This is consistent with the level of information reviewed by the chief operating decision maker. In the prior year VHG, DCG and clinics were reported as one reportable segment and therefore no restatements are required.

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.

In the year, the group had two major customers, accounting for 15% (2024: 15%) and 12% (2024: 14%) of group revenue. These revenues were reported primarily within the hospitals business segment. Further detail is provided in the Principal Risk: Private market dynamics (page 59).

(£m)	2025			2024		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Revenue	1,446.1	133.7	1,579.8	1,390.2	121.0	1,511.2
Cost of sales	(774.8)	(88.9)	(863.7)	(748.4)	(79.2)	(827.6)
Gross profit	671.3	44.8	716.1	641.8	41.8	683.6
Other operating costs	(555.4)	(41.5)	(596.9)	(519.2)	(39.5)	(558.7)
Other income	3.4	–	3.4	12.6	–	12.6
Segmental operating profit (EBIT)	119.3	3.3	122.6	135.2	2.3	137.5

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)	2025	2024
Segment operating profit (EBIT)	122.6	137.5
Finance income	1.0	0.7
Finance costs	(105.0)	(99.9)
Profit before taxation	18.6	38.3
Taxation	(1.4)	(12.3)
Profit for the year	17.2	26.0



Notes to the financial statements continued

5. Segmental reporting continued

Operating profit is arrived at after charging:

(£m)	2025			2024		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Depreciation of property, plant and equipment and right-of-use assets	111.9	3.6	115.5	106.4	1.6	108.0
Amortisation of intangible assets	1.5	2.6	4.1	1.6	2.6	4.2
Lease payments made in respect of low value and short leases	15.3	3.1	18.4	16.6	3.8	20.4
Staff costs	509.1	82.3	591.4	494.4	73.0	567.4

The total pre-tax adjusting items is £27.9 million (2024: £11.9 million) of which £27.6 million (2024: £8.1 million) relate to the hospitals business and £0.3 million (2024: £3.8 million) relates to primary care.

6. Other income

(£m)	2025	2024
Fair value movement on financial asset	2.1	4.8
Realised profit in respect of financial asset	1.0	1.0
Movement on financial liability	0.3	1.6
Profit on disposal of hospital (adjusting items) (see Note 11)	–	4.5
Profit on disposal of property, plant and equipment	–	0.7
Total other income	3.4	12.6

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 (2024: £1.0 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)	2025	2024
Audit of these financial statements	1.5	1.3
Audit of the financial statements of subsidiaries of the company pursuant to legislation	0.4	0.4
Audit-related assurance services	0.2	0.2
Total	2.1	1.9

8. Operating profit

Arrived at after charging/(crediting):

(£m)	2025	2024
Depreciation of property, plant and equipment (see Note 14)	68.2	67.0
Depreciation of right-of-use assets (see Note 14)	47.3	41.0
Amortisation of intangible assets (see Note 15)	4.1	4.2
Acquisition-related transaction costs (adjusting item) (see Note 11)	0.8	–
Lease payments made in respect of low value and short leases	18.4	20.4
Provision related to Ian Paterson (adjusting item) (see Note 11)	–	4.6
Impairment on assets held for sale (see Note 21)	0.5	–
Movement on the provision for expected credit losses of trade receivables (see Note 19)	(1.5)	1.0
Movement on financial liability (see Note 24)	(0.3)	–
Staff restructuring costs (adjusting item) (see Note 9 and 11)	13.8	4.3
Staff costs (net of staff restructuring costs and including share-based payment charge) (see Note 9 and 29)	591.4	567.4

Inventory recognised as an expense in the current year is disclosed in Note 18.

9. Staff costs

(No.)	2025	2024
Clinical	9,085	9,248
Non-clinical	6,282	6,021
Central	1,001	972
The average number of persons employed by the group (including directors) during the year	16,368	16,241

(No.)	2025	2024
Clinical	6,913	7,004
Non-clinical	4,793	4,655
Central	875	848
The average number of full-time equivalent persons employed by the group during the year	12,581	12,507

The aggregate payroll costs of these persons were as follows:

(£m)	2025	2024
Wages and salaries	496.9	476.3
Social security costs	59.9	46.9
Pension costs, defined contribution scheme	46.3	44.3
Aggregate payroll costs excluding share-based payments	603.1	567.5
Share-based payment charge	2.1	4.2
Aggregate payroll costs	605.2	571.7



Notes to the financial statements continued

9. Staff costs continued

There are £13.8 million (2024: £4.3 million) wages and salaries and social security costs for year ended 31 December 2025 included in Adjusting items which relate to staff restructuring costs, and are set out in Note 8 and 11.

Pension costs are in respect of the defined contribution scheme; unpaid contributions at 31 December 2025 were £4.9 million (2024: £4.8 million).

10. Finance income and costs

(£m)	2025	2024
Finance income		
Interest income on bank deposits	0.4	0.7
Interest income on finance lease receivable	0.6	–
Total finance income	1.0	0.7
Finance costs		
Interest on bank facilities	22.4	22.3
Amortisation of fee arising on facilities extensions/borrowing costs ¹	1.5	1.5
Interest on obligations under leases	81.1	76.1
Total finance costs	105.0	99.9
Total net finance costs	104.0	99.2

1. £1.1 million of borrowing costs were capitalised on the extension of the senior facility, these are being amortised to August 2028. Previously, £5.0 million of borrowing costs were capitalised on the refinancing of the senior facility, these are being amortised to February 2026.

11. Adjusting items

(£m)	2025	2024
Asset acquisitions, disposals, impairment and aborted project costs	4.0	(2.8)
Clinic set up costs	0.2	1.9
Business reorganisation and corporate restructuring costs	20.5	4.3
Remediation of regulatory compliance or malpractice costs	1.7	6.9
Amortisation on acquired intangible assets	1.5	1.6
Total pre-tax adjusting items	27.9	11.9
Income tax (credit)/charge on adjusting items	(6.0)	(1.8)
Total post-tax adjusting items	21.9	10.1

Adjusting items comprise those matters where the Directors believe the financial effect should be adjusted for due to their nature or amount, in order to provide a more comparable measure of the group's underlying performance.

Asset acquisitions, disposals, impairment and aborted project costs include £0.8 million relating to the group's acquisitions of Acorn Occupational Health Limited ("Acorn") and Physiologic Limited ("Physiologic"). An additional £0.8 million relating to Regents Gate, of which £0.5 million represents an impairment charge. This impairment is disclosed within Assets Held for Sale (see Note 21). Refer to acquisition Note 35 for more details. In the prior year, a credit of £4.5 million was included for the sale of the group's Tunbridge Wells hospital. Whilst other costings associated to the integration of VHG acquisition and a true-up in provisions for DCG and Claremont acquisitions.

Business reorganisation and corporate restructuring relates to the announcement of a group wide transformation programme that will enable a more efficient business operating model, including leveraging digital solutions and technology. As announced the group are restructuring our clinical staffing models to provide more agile and flexible resourcing and relocating admin roles to our patient support centres. As a result of these initiative, additional costs of £13.1 million (2024: £3.5 million) have been incurred in the period, bringing costs to date of £22.4 million. This initiative is being implemented over several phases and is likely to be materially completed at the end of 2027 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. In addition, the group incurred costs of £7.4 million as it undertook a strategic review of the business.

Remediation of regulatory compliance or malpractice costs of £1.7 million (2024: £1.7 million) relates to legal fees that have been incurred for the ongoing inquests.

In the prior year, Spire Healthcare increased its provision by £4.6 million to reflect the expected costs of implementing the Public Inquiry recommendations, including conducting a comprehensive patient review and providing support to Paterson's patients. By H2 2024, all living patients had been contacted and invited for consultations where appropriate to discuss their care. As a result, this led to a notable reduction in new claims as most patients have now had the outcomes of their reviews. Claims in the current year have remained consistent with management's original assumptions and the previously recognised provision; as a result, no additional charge has been recorded in this financial year. While future adjustments may be necessary as further information becomes available, the existing provision continues to represent management's best estimate of the costs and anticipated claim settlements.

£1.5 million (2024: £1.6 million) of amortisation on acquired intangible assets related to the customer contracts recognised on the acquisition of VHG in 2023, Acorn in March 2025 and Physiologic in July 2025.

12. Taxation

(£m)	2025	2024
Current tax		
UK corporation tax expense	0.9	0.7
Adjustments in respect of prior years	–	(1.0)
Total current tax charge/(credit)	0.9	(0.3)
Deferred tax		
Origination and reversal of temporary differences	6.4	10.3
Adjustments in respect of prior years	(5.9)	2.3
Total deferred tax charge	0.5	12.6
Total tax charge	1.4	12.3

In addition to the amounts recognised in the income statement, a credit of £0.9 million has been recognised in Other Comprehensive Income (2024: £0.2 million credit) and a debit of £0.1 million (2024: £0.4 million credit) has been recognised directly in Equity. The £0.1 million debit recognised in equity relates to movements in share-based payments and represents a £0.9 million deferred tax debit and £0.8 million current tax credit.



Notes to the financial statements continued

12. Taxation continued

Corporation tax is calculated at 25.0% (2024: 25.0%) of the estimated taxable profit or loss for the year. When excluding prior year adjustments and the impact of share based payments, the effective tax rate for 2025 is 34.9% (2024: 27.9%). The increase reflects additional adjusting items arising during the period.

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)	2025	2024
Profit before taxation	18.6	38.3
Tax at the standard rate	4.7	9.6
Effects of:		
Expenses and income not deductible or taxable	1.8	1.1
Adjustment for movement on share-based payments	0.8	0.3
Adjustments in respect of prior year	(5.9)	1.3
Total tax charge	1.4	12.3

The current-year and prior-year tax charges are mainly driven by expenses that are not deductible for tax purposes, adjustments in respect of prior periods, and movements arising from share-based payments. Expenses and income that are not deductible or taxable primarily relate to depreciation on non-qualifying fixed assets, disallowable entertaining costs, and certain legal and professional fees.

Within the prior-year adjustment, there is a one-off capital allowances claim covering multiple years. This resulted in a significant reduction in the tax charge for the period. The benefit of this claim will also flow through to future periods, enabling greater tax relief in later years.

The effective tax rate on profit before taxation for the year of 7.5% (2024: 32.1%), is not considered meaningful due to the significant prior year adjustments.

The group calculates an underlying tax rate on an adjusted basis to remove the effect of distorting items such as prior year adjustments, non-recurring transactions and share based payments. The underlying tax rate is 28.4% (2024: 29.8%) which is higher than the statutory rate due to expenses and income that are not deductible and depreciation on non-qualifying fixed assets.

The group does not hold any uncertain tax positions under IFRIC 23 at the year-end (2024: none).

Pillar Two legislation, introduced as part of the OECD's Base Erosion and Profit Shifting ('BEPS') framework, became effective for accounting periods beginning on or after 1 January 2024. The group operates solely in the UK. Based on the group's assessment, its underlying effective tax rates continue to exceed 16%, and therefore no exposure to Pillar Two top-up taxes is expected.

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.

	2025	2024
Profit for the year attributable to ordinary equity holders of the parent (£m)	16.4	25.4
Weighted average number of ordinary shares for basic EPS (No.)	402,759,340	403,991,639
Adjustment for weighted average number of shares held in EBT (No.)	(2,376,882)	(498,516)
Weighted average number of ordinary shares in issue (No.)	400,382,458	403,493,123
Basic earnings per share (in pence per share)	4.1	6.3

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.

	2025	2024
Profit for the year attributable to ordinary equity holders of the parent (£m)	16.4	25.4
Weighted average number of ordinary shares in issue (No.)	400,382,458	403,493,123
Adjustment for weighted average number of contingently issuable shares (No.)	4,929,266	7,900,003
Diluted weighted average number of ordinary shares in issue (No.)	405,311,724	411,393,126
Diluted earnings per share (in pence per share)	4.0	6.2

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):

	2025	2024
Profit for the year attributable to owners of the parent (£m)	16.4	25.4
Adjusting items (see Note 11) (£m)	21.9	10.1
Adjusted profit (£m)	38.3	35.5
Weighted average number of Ordinary Shares in issue (No.)	400,382,458	403,493,123
Weighted average number of dilutive Ordinary Shares (No.)	405,311,724	411,393,126
Adjusted basic earnings per share (in pence per share)	9.6	8.8
Adjusted diluted earnings per share (in pence per share)	9.4	8.6



Notes to the financial statements continued

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 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)
Transfers	1.2	15.9	0.7	(17.8)	–	–
At 1 January 2025	869.2	224.5	456.8	40.1	976.1	2,566.7
Additions	4.3	10.9	33.7	27.4	–	76.3
Acquisition of subsidiaries	–	–	0.5	–	–	0.5
Additions to ROU assets	–	–	–	–	37.4	37.4
Adjustments to existing assets (eg indexation)	–	–	–	–	33.6	33.6
Transferred to Assets held for sale	(4.0)	–	–	–	–	(4.0)
Disposals	(0.8)	–	–	–	–	(0.8)
Transfers	17.2	8.5	(10.2)	(15.5)	–	–
At 31 December 2025	885.9	243.9	480.8	52.0	1,047.1	2,709.7
Accumulated depreciation and impairment:						
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 1 January 2025	220.7	73.2	275.7	–	333.7	903.3
Charge for year	12.0	12.1	44.1	–	47.3	115.5
Transferred to Assets held for sale	(0.7)	–	–	–	–	(0.7)
Disposals	(0.5)	–	–	–	–	(0.5)
Transfers	2.3	(2.3)	–	–	–	–
At 31 December 2025	233.8	83.0	319.8	–	381.0	1,017.6
Net book value:						
At 31 December 2025	652.1	160.9	161.0	52.0	666.1	1,692.1
At 31 December 2024	648.5	151.3	181.1	40.1	642.4	1,663.4

The net book value of land is £156.3 million (2024: £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 £127.0 million (2024: £120.0 million). There were no borrowing costs capitalised during the year ended 31 December 2025 (2024: Nil). The fair value of freehold properties is £1.4 billion.

On 31 March 2024, the group sold its Tunbridge Wells Hospital business to Maidstone and Tunbridge Wells NHS Trust for £10.0 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 or legal entity 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 2030 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.

The group has used a pre-tax discount rate of 11.3% (2024: 11.2%).

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 three CGUs for which a reasonably possible change would eliminate the headroom.

For the first CGU, the average annual EBITDA growth rate is 4.9%, resulting in a headroom of £6.7 million. A reduction of 2.6% per annum in the average annual EBITDA growth rate over the five-year period would eliminate this headroom. The sensitivity testing identified no reasonably possible changes in the discount rate.

For the second CGU, the average annual EBITDA growth rate is 4.4%, resulting in a headroom of £2.2 million. The headroom would be eliminated by a reduction of 1.9% per annum in the average annual EBITDA growth rate over the five-year period, or by an increase of 103bps in the discount rate. A reasonably possible change of an increase of 110bps in the discount rate over the five-year period would result in an impairment of £0.1 million.

For the third CGU, the average annual EBITDA growth rate is 17.3%, resulting in a headroom of £0.5 million. The headroom would be eliminated by a reduction of 1.6% per annum in the average annual EBITDA growth rate over the five-year period. A reasonably possible change of a reduction of 10.1% in the average annual EBITDA rate over the five-year period would result in an impairment of £1.9 million. The higher average annual EBITDA growth rate assumed for this CGU is due to an expected period of accelerated growth as capacity is



Notes to the financial statements continued

14. Property, plant and equipment continued

built and operational maturity is achieved. The sensitivity testing identified no reasonably possible changes in the discount rate.

A long-term growth rate of 2.0% has been applied to cash flows beyond 2030 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 capital maintenance and long-term growth rates that would cause the carrying amount of any CGU to exceed its recoverable amount.

Due to the well-publicised slowdown in NHS commissioning activity to the independent sector and due to budgetary restrictions impacting the business. Management performed an additional sensitivity analysis using a reasonably possible change in NHS revenue, keeping all other assumptions constant. The sensitivity analysis resulted in the reduction of headroom of the two properties mentioned above from £6.7 million to 5.7 million for the first property and from £2.2 million to 1.1 million for the second property.

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 2024	892.1	34.4	926.5
Additions to ROU assets	4.4	10.7	15.1
Adjustments to existing assets (eg indexation)	36.9	–	36.9
Disposals	(2.2)	(0.2)	(2.4)
At 1 January 2025	931.2	44.9	976.1
Additions to ROU assets	17.5	19.9	37.4
Adjustments to existing assets (eg indexation)	33.6	–	33.6
Transfers	3.6	(3.6)	–
At 31 December 2025	985.9	61.2	1,047.1

Accumulated depreciation and impairment:

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 1 January 2025	314.2	19.5	333.7
Charge for year	38.8	8.5	47.3
Transfers	0.1	(0.1)	–
At 31 December 2025	353.1	27.9	381.0

Net book value:

At 31 December 2025	632.8	33.3	666.1
At 31 December 2024	617.0	25.4	642.4

15. Intangible assets

(£m)	Goodwill	Customer contracts	Software	Mobilisation costs	Total
Cost or valuation:					
At 1 January 2024	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 1 January 2025	612.6	20.6	6.7	3.3	643.2
Acquisition of a subsidiary	8.1	1.2	–	–	9.3
Additions	–	–	1.5	0.7	2.2
At 31 December 2025	620.7	21.8	8.2	4.0	654.7

Accumulated amortisation and impairment:

At 1 January 2024	201.0	0.2	0.3	0.1	201.6
Amortisation charge during the year	–	1.9	1.6	0.7	4.2
At 1 January 2025	201.0	2.1	1.9	0.8	205.8
Amortisation charge during the year	–	1.5	1.9	0.7	4.1
At 31 December 2025	201.0	3.6	3.8	1.5	209.9

Carrying amount:

At 31 December 2025	419.7	18.2	4.4	2.5	444.8
At 31 December 2024	411.6	18.5	4.8	2.5	437.4

Impairment testing

The group completed the integration of Vita Health Group and The Doctors Clinic Group into a unified primary care platform during the first half of 2025. This integration included the alignment of leadership, governance, operational systems, and financial reporting. As a result, cash inflows across these businesses became interdependent, and performance is now monitored at the consolidated primary care level.

In accordance with IAS 36 – Impairment of Assets, this change in how the businesses are managed and monitored triggered a reclassification of CGUs. Following completion of the integration outlined above, the Primary Care CGUs have been grouped for the purposes of impairment testing, which aligns with the group's operating segment structure and does not exceed the size of an operating segment.

Prior to the reallocation of goodwill, an impairment test was performed on the original CGU groups, confirming that the recoverable amount continued to exceed the carrying amount.

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 2030 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.



Notes to the financial statements continued

15. Intangible assets continued

Impairment testing continued

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.

(£m)	Goodwill	Headroom
Hospitals Business	334.6	635.3
Primary Care*	77.0	69.6

* Excludes goodwill arising from acquisitions completed in the year, as these acquisitions remain within the IFRS 3 measurement period.

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 discount rate of 11.3% (2024: 11.2%).

A long-term growth rate of 2.0% has been applied to cash flows beyond 2030 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 Primary Care identified no reasonably possible changes that would cause the carrying amount of any CGU to exceed its recoverable amount.

16. Financial assets

Financial assets comprise a £14.4 million profit-share arrangement with Genesis Care (2024: £12.3 million). Within the prior period, a £2.5 million balance was held in respect of the Montefiore option to purchase the remaining interest in the subsidiary; this has been utilised in the current period. Further detail is provided in Note 24.

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.

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)	2025	2024
Valuation at 1 January	12.3	7.5
Cash receipt	(1.0)	(1.0)
Fair value adjustments	3.1	5.8
Valuation at 31 December	14.4	12.3

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 £1.4 million (£1.7 million) (2024: 1.2% increase (decrease) £1.0 million (£1.3 million))
- A 20% increase (decrease) in the forecast annual cash flow of £0.22 million (2024: £0.19 million), would see an increase (decrease) in fair value of £2.9 million (£2.9 million) (2024: £2.3 million (£2.3 million)).



Notes to the financial statements continued

17. Subsidiary undertakings and non-controlling interest

As at 31 December 2025, 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 ¹	Health provision	N/A
Classic Hospitals Limited [#]	Non-trading company	Ordinary
Classic Hospitals Property Limited	Property company	Ordinary
Didsbury MSK Limited ^o	Health provision	Ordinary
Fox Healthcare Acquisitions Limited	Leasing company	Ordinary
Spire Occupational Health Limited	Health provision	Ordinary
Medicainsure Limited	Non-trading company	Ordinary
Montefiore House Limited	Health provision	Ordinary
Soma Health Limited [#]	Health provision	Ordinary
Spire Healthcare (Holdings) Limited	Holding company	Ordinary
Spire Healthcare Finance Limited [*]	Holding company	Ordinary
Spire Healthcare Property Developments Limited	Development 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
Acorn Occupational Health Limited	Health provision	Ordinary
Vita Health Group Limited	Health provision	Ordinary
Crystal Palace Physio Holdings Limited	Holding company	Ordinary
Vita Health Solutions Limited	Health provision	Ordinary

Incorporated in England and Wales and registered at 3 Dorset Rise, London, EC4Y 8EN, unless otherwise stated

	Principal activity	Class of share
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
Physiologic Limited	Health provision	Ordinary
The Bisham Abbey Knee Clinic Limited	Health provision	Ordinary
Vita Health Wellness Limited	Health provision	Ordinary

^o Ownership interest is 51.0%.

^{*} Direct shareholding of the company

¹ The LLP has 'Members' capital classified as equity' in lieu of 'Class of shares'.

[#] In liquidation and expected to be dissolved during 2026.

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 2026.

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 2025, Spire Healthcare acquired an additional 24.9% interest in Montefiore House Limited, and now owns 100% of this entity.

Accumulated balances of material non-controlling interest:

(£m)	Montefiore House Limited	Didsbury MSK Limited	Total
Accumulated balances of non-controlling interest at 1 January 2024	(3.2)	1.1	(2.1)
Profit/(loss) allocated to non-controlling interests	0.3	0.3	0.6
Dividends to non-controlling interests	–	(0.7)	(0.7)
Accumulated balances of non-controlling interest at 31 December 2024	(2.9)	0.7	(2.2)
Profit allocated to non-controlling interests	0.1	0.7	0.8
Dividends to non-controlling interests	–	(0.5)	(0.5)
Recycled loss for non-controlling interest purchased by parent	2.8	–	2.8
Accumulated balances of non-controlling interest at 31 December 2025	–	0.9	0.9



Notes to the financial statements continued

17. Subsidiary undertakings and non-controlling interest continued

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 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 total consideration for the transaction was £7.7 million, of which £2.5 million had been prepaid. The remaining balance of £5.2 million was settled in cash on 28 May 2025. The accumulated non-controlling interest equity of £2.8 million relating to the 24.9% interest acquired has been reclassified to retained earnings in the current year.

Guarantees with group undertakings for the year ended 31 December 2025

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 2025. 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
Kingfisher Topco Limited	09711513
Kingfisher Midco Limited	09711514
Kingfisher Bidco Limited	09711516

18. Inventories

(£m)	2025	2024
Prostheses, drugs, medical and other consumables	46.2	46.6

Cost of sales for the year ended 31 December 2025 includes inventories recognised as an expense amounting to £285.2 million (2024: £275.1 million).

19. Trade and other receivables

(£m)	2025	2024
Amounts falling due within one year:		
Trade receivables	81.2	83.1
Unbilled receivables	21.9	22.2
Prepayments	28.5	26.1
Other receivables	9.0	6.2
	140.6	137.6
Allowance for expected credit losses	(4.1)	(6.2)
Total current trade and other receivables	136.5	131.4

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 £9.0 million includes £6.6 million insurance reimbursement right (2024: £4.3 million); and £0.7 million (2024: £1.3 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, £0.7 million was paid out of this fund and no payments made 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.

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.



Notes to the financial statements continued

19. Trade and other receivables continued

The loss allowance as at 31 December 2025 for trade receivables was determined as follows:

	Current	0-30 days	31-90 days	91-364 days	1-2 years	Total
Expected loss rate	1.6%	2.3%	23.2%	70.5%	27.8%	4.2%
Gross debt (£m)	84.5	6.2	1.0	1.3	5.4	98.4
Less payments on account (£m)	–	–	–	–	–	(17.2)
Carrying amount of trade receivables (£m)	–	–	–	–	–	81.2
Loss allowance (£m)	1.3	0.1	0.2	0.9	1.6	4.1

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

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)	2025	2024
Private medical insurers	18.3	31.1
NHS	41.0	30.7
Patient debt	5.5	6.0
Other	12.3	9.1
Total	77.1	76.9

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(£m)	2025	2024
At 1 January	6.2	5.5
Provided in the year	0.4	2.0
Utilised during the year	(0.6)	(0.3)
Released during the year	(1.9)	(1.0)
At 31 December	4.1	6.2

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)	2025	2024
Cash at bank	19.1	33.8
Short-term deposits	15.6	7.4
Total cash and cash equivalents	34.7	41.2

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 2025 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.

During the period the group's management committed to the sale of the Regents Gate property, which housed certain administrative functions that have been transferred elsewhere. The property is expected to be sold within twelve months and has been classified as held for sale. An impairment has been recognised to align the carrying amount to the expected proceeds.

(£m)	2025	2024
At 1 January	1.1	1.1
Transferred from Plant, Property and Equipment	3.3	–
Impairment	(0.5)	–
At 31 December	3.9	1.1



Notes to the financial statements continued

22. Share capital and reserves**Authorised shares**

(No.)	2025	2024
Ordinary shares of £0.01 each	402,759,599	402,751,824

Issued and fully paid shares

	2025		2024	
	£0.01 ordinary shares		£0.01 ordinary shares	
	Number of shares	£'000	Number of shares	£'000
At 1 January	402,751,824	4,028	404,126,630	4,042
Issued during the year	7,775	–	13,943	–
Cancelled during the year	–	–	(1,388,749)	(14)
At 31 December	402,759,599	4,028	402,751,824	4,028

Share premium

(£m)	2025	2024
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 2024, 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 dependents. The EBT is treated as an extension of the group and the company.

During the period, the EBT purchased 4,700,000 shares and transferred 2,878,907 (2024: 1,312,000 shares acquired and 1,235,976 exercised) in order to settle share awards in relation to the directors' share bonus award; the Long-Term Incentive Plan and the employees' Save As You Earn Scheme.

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 2025, 2,209,277 shares (2024: 388,184 shares) 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 periods, 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.

	2025		2024	
	Number of shares	£m	Number of shares	£m
At 1 January	388,184	0.9	312,160	0.7
Purchased	4,700,000	8.7	1,312,000	3.1
Exercised	(2,878,907)	(5.4)	(1,235,976)	(2.9)
At 31 December	2,209,277	4.2	388,184	0.9

Hedging reserve

The balance of £0.1 million at 31 December 2025 (2024: £2.1 million) reflects the £2.5 million debit (2024: £4.3 million debit) recycled in the period, the fair value debit of £0.4 million (2024: £2.8 million credit) and the £0.9 million tax credit on the profit (2024: £0.3 million credit) to give a net movement of a decrease of £2.0 million during the year (2024: a decrease of £1.2 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 2025 were £1,315.8 million (2024: £1,279.9 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 November 2025, the group successfully extended its existing debt facilities to maturity of August 2028. The financial covenants relating to this new agreement are materially unchanged and no modifications have been made other than to extend the term. The loan is non-amortising and carries interest at a margin of 2.05% over SONIA (2024: 2.05% over SONIA).

(£m)	2025	2024
Amount due for settlement within 12 months	3.1	3.6
Amount due for settlement after 12 months	364.0	363.5
Total bank borrowings¹	367.1	367.1



Notes to the financial statements continued

23. Borrowings continued**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	2025	2024
Senior finance facility	August 2028	2.05%	327.1	327.1
Revolving credit facility (drawn committed facility)	August 2028	1.95%	40.0	40.0

Net debt for the purposes of the covenant test in respect of the Senior Loan Facility was £330.3 million (2024: £323.8 million) and the net debt to EBITDA ratio was 2.0x (2024: 2.0x). 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 £34.7 million. EBITDA for covenant purposes comprises Adjusted EBITDA for Last Twelve Months (LTM) of pre-IFRS 16 Adjusted EBITDA of £175.4 million (2024: £171.1 million) less the rental of a finance lease pre-IFRS 16 of £10.9 million (2024: £10.4 million).

The interest cover for covenant purposes was 7.5x (2024: 7.5x) 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 its existing committed and undrawn revolving credit facility to August 2028.

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 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 2025, 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.

The group's syndicated facilities agreement includes standard change of control provisions triggered by a change in ownership of more than 50% of the issued share capital. Such provisions would permit lenders to cancel the existing commitments, cease further drawings, and require immediate repayment of all amounts outstanding together with accrued interest and fees. Repayment of banking facilities is common on a change of ownership transaction. No change of control has occurred as at the date of approval of these financial statements.

Lease liabilities

The group has finance leases 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 £948.7 million (December 2024: £912.8 million), expire in various years to 2081 and carry incremental borrowing rates in the range 1.5-14.0% (2024: 3.2-14.6%). 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 6.7% movement in lease liability.

In the period, the group recognised charges of £2.8 million (2024: £3.4 million) of lease expense relating to low value leases and £15.6 million (2024: £17.0 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, resulting in a total cash outflow of £134.6 million (2024: £122.7 million). The group is a lessor to one lease to external parties and has recognised a finance lease receivable of £4.3 million (2024: £4.4 million). The terms of the sublease are the same as those contained in the head-lease. There have been no (2024: 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 £239.0 million.

During 2024 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 inflation linked 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 ¹	Non-cash changes ²	Additions ³	31 December
2025					
Bank loans	367.1	(22.9)	22.9	–	367.1
Lease liabilities	912.8	(116.2)	81.1	71.0	948.7
Total	1,279.9	(139.1)	104.0	71.0	1,315.8

(£m)	1 January	Cash flows ¹	Non-cash changes ²	Additions ³	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

1. During the year, £55 million (2024: £5 million) was drawn down and £55 million (2024: £5 million) was subsequently repaid.

2. Non-cash changes reflect interest charged on the loan

3. Additions include both new leases entered into, indexation of existing leases and acquisitions of subsidiaries.



Notes to the financial statements continued

23. Borrowings continued

Derivatives

The following derivatives were in place at 31 December:

(£m)	Interest rate	Maturity date	Notional amount	Carrying value asset/(liability)
31 December 2025				
Interest rate swaps	2.7780%	Feb 2026	162.5	0.2
Interest rate swaps	3.5346%	Aug 2027	162.5	(0.2)
Total			325.0	–
31 December 2024				
Interest rate swaps	2.7780%	Feb 2026	162.5	2.9
(£m)				
			2025	2024
Amount due from settlement within 12 months			0.2	2.5
Amount due for settlement after 12 months			(0.2)	0.4
Total derivatives asset/(liability)			–	2.9

The group entered into interest rate swap contracts on 25 July 2022 to hedge the exposure to variability in cash flows arising from its floating rate bank borrowings. These swaps had a maturity date of 23 February 2026 and were designated as cash flow hedges of interest payments on the underlying debt.

Following the successful extension of the group's debt facilities to a revised maturity of 25 August 2028, the group extended its interest rate hedging strategy to maintain alignment between the hedged items and the hedging instruments. Accordingly, on 25 November 2025 the group entered into additional interest rate swap contracts, with a contractual maturity date of August 2027. These swaps extend the duration of the hedge relationship beyond the maturity of the original 2022 contracts.

The movement in respect of derivatives reflects £2.5 million (2024: £4.3 million) recycled in the period and a £0.4 million loss (2024: £2.8 million gain) 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 could 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 total consideration for the transaction was £7.7 million, of which £2.5 million had been prepaid. The remaining balance of £5.2 million was settled in cash on 28 May 2025.

In 2025, the group made two acquisitions: Acorn and Physiologic. The terms of both acquisitions include a contingent earnout, to be paid based on performance of the company in the twelve months following acquisition. Therefore, the group has recognised an initial estimated consideration that would be due in respect of these earnouts. For more detail see Note 35.

(£m)	2025	2024
Valuation at 1 January	8.0	9.6
Option to purchase non-controlling interests	(7.7)	–
Movement in financial liability	(0.3)	(1.6)
Contingent consideration	1.6	–
Valuation at 31 December	1.6	8.0

25. Deferred tax

(£m)	Property, plant and equipment	Intangible	IFRS leases - spreading	IFRS 16	Share-based payments	Losses	Provisions and other temporary differences	Total
At 1 January 2024	86.6	5.0	(42.9)	34.4	(4.1)	(7.3)	(3.8)	67.9
Charge/(credit) to the profit or loss	6.4	(0.4)	2.4	0.8	(0.1)	–	1.2	10.3
Charge/(credit) to other comprehensive income and equity	–	–	–	–	0.5	–	(0.2)	0.3
Prior year adjustment	0.6	–	–	–	(0.1)	0.2	1.6	2.3
At 1 January 2025	93.6	4.6	(40.5)	35.2	(3.8)	(7.1)	(1.2)	80.8
Charge/(credit) to the profit or loss	17.2	(0.3)	2.4	0.4	1.0	(14.1)	(0.2)	6.4
Charge/(credit) to other comprehensive income and equity	–	–	–	–	0.9	–	(0.9)	–
Prior year adjustment	0.3	–	–	–	–	(6.5)	0.3	(5.9)
At 31 December 2025	111.1	4.3	(38.1)	35.6	(1.9)	(27.7)	(2.0)	81.3
Disclosed within liabilities	111.1	4.3	(38.1)	35.6	(1.9)	(27.7)	(2.0)	81.3

Deferred tax on property, plant and equipment has arisen on differences between the carrying value of the relevant assets and the tax base.

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.



Notes to the financial statements continued

25. Deferred tax continued

The group has unrecognised deferred tax assets (which do not expire) as follows:

(£m)	2025		2024	
	Gross	Tax effected	Gross	Tax effected
Trading losses	4.2	1.1	10.4	2.6
Tax basis for future capital disposals	11.6	2.9	11.6	2.9
Total	15.8	4.0	22.0	5.5

These amounts are the expected tax value of the gross temporary difference at the enacted long-term tax rate of 25% (2024: 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 2025	13.2	1.0	14.2
Increase in existing provisions	4.3	4.1	8.4
Provisions utilised	(2.2)	(4.1)	(6.3)
Provisions released	–	–	–
At 31 December 2025	15.3	1.0	16.3

Medical malpractice relates to estimated liabilities arising from claims for damages in respect of services previously supplied to patients. During the period £4.3 million was added due to additional claims received, and £1.8 million utilised. Amounts are shown gross of insured liabilities. Any such insurance recoveries of £6.6 million (2024: £4.3 million) are recognised in other receivables.

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 £13.7 million has been utilised in settlement of patient claims.

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 2025, the business restructuring and other provisions primarily includes dilapidation provisions for the primary care business.

Provisions as at 31 December 2025 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)	2025	2024
Trade payables	86.1	84.9
Accrued expenses	60.9	53.8
Deferred Income	8.3	10.5
Social security and other taxes	16.5	18.4
Other payables – other	46.3	46.4
Total	218.1	214.0

Accrued expenses include general operating expenses incurred but not invoiced as at the year end, holiday pay accrued of £1.5 million (2024: £2.1 million), bonuses accrued during the year and paid in the following year of Nil (2024: £5.3 million), and a £6.2 million (2024: Nil) accrual relating to the strategic review of the business (see Note 11 for more detail). Deferred income of £8.1 million (2024: £10.2 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 £2.5 million (2024: £2.4 million). In addition other credit balances re-classed from trade debtors were £28.3 million (2024: £38.1 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 2024 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)	2025	2024
Final dividend for the year ended 31 December 2023 (2.1 pence per share)	–	8.5
Final dividend for the year ended 31 December 2024 (2.3 pence per share)	9.2	–
Dividend paid to non-controlling interests	0.5	0.7
Total dividends paid	9.7	9.2

Since the end of the financial year, the directors have proposed a final dividend of approximately 1.5 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 2025.



Notes to the financial statements continued

29. Share-based payments

The group operates several share-based payment schemes for executive directors and other employees. With the exception of the cash-settled Long-Term Incentive Plan (LTIP), all schemes are equity-settled. The group has no legal or constructive obligation to repurchase or settle any of the equity-settled awards in cash.

The cash-settled LTIP is settled in cash and is accounted for as a liability, with changes in fair value recognised in profit or loss.

The total cost in respect of LTIPs and SAYE recognised in the income statement was £2.1 million in the year ended 31 December 2025 (2024: £4.2 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 £0.6 million (2024: £0.5 million).

During the period, the group made payments of £3.0 million (2024: £5.4 million) in respect of amounts withheld for employee tax obligations arising from the exercise of equity-settled share awards (as shown in the consolidated statement of cash flows). These payments were made on behalf of participants under the terms of the share-based payment schemes and tax regulations, and do not represent a cash settlement of the awards. The awards are classified as equity settled in its entirety as it would have been in the absence of the net settlement feature. The group has no contractual or constructive obligation to settle these awards in cash. Under the net settlement arrangement for the LTIP scheme the group estimates a total cash outflow of £4.7 million to settle participants' employees tax for awards which are yet to vest.

The following table analyses the total cost between each of the relevant schemes, together with the number of options outstanding:

	2025		2024	
	Charge £m	Number of options (thousands)	Charge £m	Number of options (thousands)
Long Term Incentive Plan	1.3	10,313	3.3	11,643
Deferred Share Bonus Plan	–	480	–	531
Save As You Earn (SAYE)	0.3	31	0.7	2,957
Cash-settled Long Term Incentive Plan	0.5	–	0.2	–
Total	2.1	10,824	4.2	15,131

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 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 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.

On 27 March 2025, the company granted a total of 2,955,802 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 2027, relative total shareholder return (TSR) (20%) targets over the three-year period to 31 December 2027, EBIT margin (15%) targets for the financial year ending 31 December 2027 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 and clinics (but excluding any new acquisitions during the performance period). The options are subject to continued employment and, upon vesting, will remain exercisable until March 2035. The executive directors are subject to a two-year holding period.

On 19 June 2025, the company also granted a total of 288,995 options to senior management. These options will vest based on return on capital employed (ROCE) (35%) targets for the financial year ending 31 December 2027, relative total shareholder return (TSR) (20%) targets on performance over the three-year period to 31 December 2027, EBIT margin (15%) targets for the financial year ending 31 December 2027 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 and clinics (but excluding any new acquisitions during the performance period). The options are subject to continued employment and, upon vesting, will remain exercisable until March 2035.



Notes to the financial statements continued

29. Share-based payments continued

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 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.

On 13 March 2025, the company granted a total of 90,626 options to executive directors, with a vesting date of 13 March 2028. 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:

	2025							
	LTIP (ROCE condition) (thousands)	LTIP (TSR condition) (thousands)	LTIP (EBITDA condition) (thousands)	LTIP (EBIT condition) (thousands)	LTIP (EPS condition) (thousands)	LTIP (OE condition) (thousands)	Deferred share bonus plan (thousands)	SAYE (thousands)
At 1 January	3,121	4,289	343	–	–	3,890	531	2,957
Granted	1,136	649	–	487	–	973	91	–
Exercised	(345)	(1,510)	–	–	–	(1,319)	(142)	(1,124)
Surrendered ¹	(50)	(50)	–	–	–	(43)	–	–
Cancelled ²	(359)	(612)	(21)	–	–	(266)	–	(1,802)
At 31 December	3,503	2,766	322	487	–	3,235	480	31
Exercisable at 31 December	716	788	–	–	–	847	–	28
Weighted average contractual life	1.0 years	0.8 years	1.2 years	2.2 years	0 years	1.0 years	1.0 years	0 years

	2024							
	LTIP (ROCE condition) (thousands)	LTIP (TSR condition) (thousands)	LTIP (EBITDA condition) (thousands)	LTIP (EBIT 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 years	0.7 years	1.3 years	0.4 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.

The weighted average share price for the share awards exercised during the period is £1.83 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	
			2025	2024
LTIP grants				
06/04/2020 – April 2023	06/04/2030	–	155	2,176
18/03/2021 – March 2024	18/03/2031	–	1,013	1,741
14/03/2022 – March 2025	14/03/2032	–	1,182	2,644
15/03/2023 – March 2026	15/03/2033	–	2,571	2,792
14/03/2024 – March 2027	14/03/2034	–	2,147	2,290
27/03/2025 – March 2028	27/03/2035	–	2,956	–
19/06/2025 – March 2028	27/03/2035	–	289	–
Deferred Share Bonus Plan				
14/03/2022 – March 2025	13/03/2032	–	–	142
15/03/2023 – March 2026	14/03/2033	–	168	168
14/03/2024 – March 2027	13/03/2034	–	221	221
13/03/2025 – March 2028	12/03/2035	–	91	–
Save As You Earn				
26/04/2022 – June 2025	01/12/2025	1.98	31	2,957

During the period, 2,878,907 shares, relating to the deferred share bonus plan, Save as you Earn, and LTIPs, were exercised from the company's Employee Benefit Trust (EBT) (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.



Notes to the financial statements continued

29. Share-based payments continued

The following information is relevant to the determination of the fair value of the awards granted for the years ended 31 December 2025 and 2024, respectively, under the schemes:

2025	LTIP (TSR condition)	LTIP (ROCE condition)	LTIP (EBIT 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 (£) ²	0.59 / 0.99	1.72 / 2.08	1.72 / 2.08	1.72 / 2.08	n/a
Fair value at grant date for shares subject to holding period (£) ²	0.55 / 0.91	1.59 / 1.92	1.59 / 1.92	1.59 / 1.92	n/a
Weighted average share price at grant date (£) ²	1.72 / 2.08	1.72 / 2.08	1.72 / 2.08	1.72 / 2.08	n/a
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Weighted average contractual life ²	3.8 years / 3.2 years	3.8 years / 3.2 years	3.8 years / 3.2 years	3.8 years / 3.2 years	3 years
Expected dividend yield	n/a	n/a	n/a	n/a	n/a
Risk-free interest rate ²	4.1% / 3.8%	n/a	n/a	n/a	n/a
Volatility ¹	24%	n/a	n/a	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.

2. The disclosure indicates the inputs on two grant dates.

2024	LTIP (TSR condition)	LTIP (ROCE condition)	LTIP (EBITDA condition)	LTIP (OE condition)	Deferred 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	Nil
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

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)	Notes	2025	2024
Cash flows from operating activities			
Profit before taxation		18.6	38.3
Adjustments to reconcile profit before tax to net cash flows:			
Impairment of assets held for sale (adjusting items)	8	0.5	–
Movement on financial liability	6	(0.3)	(1.6)
Profit on disposal of property, plant and equipment		–	(5.2)
Adjusting items - other	11	6.2	1.5
Depreciation of property, plant and equipment	14	68.2	67.0
Depreciation of right-of-use assets	14	47.3	41.0
Amortisation of intangible assets	15	4.1	4.2
Finance income	10	(1.0)	(0.7)
Finance costs	10	105.0	99.9
Other income	6	(3.1)	(5.8)
Share-based payments expense	29	2.1	4.2
		247.6	242.8
Movements in working capital:			
Increase in trade and other receivables		(5.1)	(11.0)
Decrease/(increase) in inventories		0.4	(2.3)
(Decrease)/increase in trade and other payables		(2.6)	9.0
Increase/(decrease) in provisions		2.1	(2.7)
Cash generated from operations		242.4	235.8

31. Commitments

Consignment stock

At 31 December 2025, the group held consignment stock on sale or return of £26.6 million (2024: £25.5 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.

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)	2025	2024
Contracted but not provided for	26.7	24.7



Notes to the financial statements continued

32. Financial guarantees

The group had the following guarantees at 31 December 2025:

- The bankers to Spire Healthcare Limited have issued a letter of credit in the maximum amount of £1.5 million (2024: £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 C1.1 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 2024. The Expected Credit Loss (ECL) as at year end is £4.1 million (2024: £6.2 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 2025 (£m)	365.0	365.0	60.0
Effective interest rate (%)	5.26%	5.26%	
31 December 2024 (£m)	365.0	365.0	60.0
Effective interest rate (%)	5.85%	5.85%	

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 Nil (2024: £2.9 million) 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 the 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.

	Profit or loss		Equity	
	25bp increase	25bp decrease	25bp increase	25bp decrease
31 December 2025 (£m)				
Variable rate instruments	(0.1)	0.1	(0.1)	0.1
31 December 2024 (£m)				
Variable rate instruments	(0.5)	0.5	(0.5)	0.5

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.

The group has a supplier financing arrangement under which a third-party provider settles amounts payable to certain suppliers on the group's behalf. Liabilities arising under this arrangement continue to be classified within trade payables, as the terms and conditions of the underlying supplier invoices remain substantially unchanged.

A fee is payable to the finance provider and these fees are recognised within operating expenses. No collateral or guarantees have been provided in connection with this arrangement.

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 2025 (2024: £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:

31 December 2025 (£m)	Carrying amount	Contractual cash flows	Maturity analysis					More than 5 years
			Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	
Trade and other payables	193.3	193.3	193.3	–	–	–	–	–
Bank borrowings	367.1	422.8	20.6	20.1	382.1	–	–	–
Finance lease liabilities	948.7	1,806.4	116.9	112.6	112.1	109.8	108.0	1,247.0
	1,509.1	2,422.5	330.8	132.7	494.2	109.8	108.0	1,247.0
Derivative financial assets								
Interest rate swaps	0.2	(0.4)	(0.6)	0.2	–	–	–	–
Total	1,509.3	2,422.1	330.2	132.9	494.2	109.8	108.0	1,247.0

31 December 2024 (£m)	Carrying amount	Contractual cash flows	Maturity analysis					More than 5 years
			Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	
Trade and other payables	185.1	185.1	185.1	–	–	–	–	–
Bank borrowings	367.1	418.6	23.7	22.6	372.3	–	–	–
Finance lease liabilities	912.8	1,802.6	104.7	104.1	103.1	103.1	101.9	1,285.7
	1,465.0	2,406.3	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)	–	–	–	–
Total	1,462.1	2,403.0	310.9	126.0	475.4	103.1	101.9	1,285.7

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 2025 were £743.7 million (2024: £746.2 million) and net debt, calculated as bank borrowings of £367.1 million (2024: £367.1 million) less cash and cash equivalents of £34.7 million (2024: £41.2 million) amounted to £332.4 million (2024: £325.9 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)	2025	2024
Committed undrawn revolving credit facility	60.0	60.0
Cash and cash equivalents	34.7	41.2



Notes to the financial statements continued

33. Financial risk management and impairment of financial assets continued**Fair value measurement**

As of 31 December 2025, except for a interest rate swaps, financial asset relating to a gross profit share, and financial liabilities relating to contingent consideration, 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 2025, 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).

The financial liability of £1.6 million (2024: nil) reflects the contingent consideration estimated to be paid on the two acquisitions of Acorn and Physiologic. There are no market observable prices for the valuation (Level 3 under the fair value hierarchy). Management therefore assesses forward looking information based on an estimate of the performance of the companies in the twelve months following their acquisition.

As at 31 December 2025, the group held the following financial instruments measured at fair value:

Financial instruments measured at fair value (£m)	Value as at 31 December 2025	Maturity analysis		
		Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Profit share arrangement (Note 16)	14.4	–	–	14.4
Interest rate swaps	–	–	–	–
Financial liabilities	(1.6)	–	–	(1.6)
Financial instruments measured at fair value	12.8	–	–	12.8

During the year, Spire Healthcare received a profit share in respect of the financial asset of £1.0 million (2024: £1.0 million). In addition an unrealised fair value movement of £2.1 million (2024: £4.8 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 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 or loss				
Profit share arrangement (Note 16)	12.3	–	–	12.3
Interest rate swaps	2.9	–	2.9	–
Financial instruments measured at fair value	15.2	–	2.9	12.3

Cash flow hedge

The group designate, as cash flow hedges, interest rate swaps entered into with three counterparties maturing in August 2027. 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 2025 and 2024, 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 82 to 84.

Compensation for key management personnel is set out in the table below:

Key management compensation

(£m)	2025	2024
Salaries and other short term employee benefits	6.7	7.5
Share-based payments	3.4	3.7
Total	10.1	11.2

Further information about the remuneration of individual directors is provided in the audited part of the directors' remuneration report on pages 103 to 113. There were no transactions with related parties external to the group in the year to 31 December 2025 (2024: Nil).



Notes to the financial statements continued

35. Acquisitions

On 31 March 2025, the group acquired 100% of the shares of Acorn, a non-listed occupational health services provider based in England, for a cash consideration of £3.3 million. On 30 July 2025, the group acquired 100% of the shares of Physiologic, a non-listed physiotherapy services provider based in England, for a cash consideration of £5.4 million. The acquisitions complement our existing business and align well with our strategy of developing primary care and moving into adjacent markets.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Acorn and Physiologic as at the dates of acquisition were:

(£m)	Fair value recognised on acquisition
Assets	
Acquired intangible assets	1.2
Plant, property and equipment	0.5
Trade and other receivables	0.8
Cash	1.0
	3.5
Liabilities	
Trade and other payables	(0.8)
Corporation tax payable	(0.3)
Deferred tax liability	(0.2)
	(1.3)
Total identifiable net assets at fair value	2.2
Goodwill arising on acquisition	8.1
Purchase consideration transferred	10.3

The initial accounting for the business combinations is not complete due to the timing of the acquisition, amounts recognised, are subject to adjustment in line with IFRS 3 for up to 12 months from acquisition, with goodwill being adjusted accordingly. Therefore, goodwill has not been allocated.

The fair value of the trade receivables amounts to £0.8 million. The gross amount of trade receivables is £0.8 million and it is expected that the full contractual amounts can be collected.

From the date of acquisition, Acorn contributed £2.6 million of revenue and profit of £0.4 million to profit before tax from continuing operations of the group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been £3.4 million and profit before tax from continuing operations for the group would have been £0.5 million.

From the date of acquisition, Physiologic contributed £1.2 million of revenue and profit of £0.4 million to profit before tax from continuing operations of the group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been £2.7 million and profit before tax from continuing operations for the group would have been £0.3 million.

Goodwill has been recognised to reflect the synergies which the group believes are available to expand its offering for Primary Care services in line with its strategic plan which reflect intangibles that cannot be separately quantified. This goodwill is not deductible for tax purposes.

Purchase consideration transferred

£m	Cash flow on acquisition
Total purchase consideration	10.3
Less :	
Net cash acquired with the subsidiary	(1.0)
Contingent consideration	(1.6)
Net cash flow on acquisition	7.7

The contingent consideration is to be paid based on performance of the companies in the twelve months following acquisition. At the acquisition date management have recognised a financial liability of £1.6 million for the estimated consideration payable, refer to note 24. This was calculated based on the forecasted performance for the twelve-month period. The contingent consideration is capped at £3.66 million for earnout.

Transaction costs of £0.8 million were expensed and are included within adjusting items.

36. Events after the reporting period

There have been no other events to disclose after the reporting date.



Company balance sheet

As at 31 December 2025
(Registered number 09084066)

(£m)	Note	2025	2024
ASSETS			
Non-current assets			
Investments	C9	844.8	843.7
Other receivables	C7	205.5	193.1
		1,050.3	1,036.8
Current assets			
Other receivables	C7	323.9	281.9
Cash and cash equivalents	C6	–	0.1
		323.9	282.0
Total assets		1,374.2	1,318.8
EQUITY AND LIABILITIES			
Equity			
Share capital	22	4.0	4.0
Share premium		830.0	830.0
Capital redemption reserve		–	–
EBT share reserves	22	(4.2)	(0.9)
Retained earnings		536.8	469.4
Total equity		1,366.6	1,302.5
Current liabilities			
Income tax payable		7.0	6.9
Trade and other payables	C8	0.6	9.4
Total liabilities		7.6	16.3
Total equity and liabilities		1,374.2	1,318.8

The profit attributable to the owners of the company for the year ended 31 December 2025 was £78.2 million (2024: £75.7 million).

The financial statements on pages 160 to 163 were approved by the board of directors on 4 March 2026 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 2025

(£m)	Share capital	Share premium	Capital redemption reserve	EBT share reserves	Retained earnings	Total equity
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 1 January 2025	4.0	830.0	–	(0.9)	469.4	1,302.5
Profit for the year	–	–	–	–	78.2	78.2
Purchase of own shares by EBT	–	–	–	(8.7)	–	(8.7)
Share-based payment	–	–	–	–	1.6	1.6
Utilisation of EBT shares	–	–	–	5.4	(3.2)	2.2
Dividend paid	–	–	–	–	(9.2)	(9.2)
As at 31 December 2025	4.0	830.0	–	(4.2)	536.8	1,366.6



Company statement of cash flows

For the year ended 31 December 2025

(£m)	2025	2024
Cash flows from operating activities		
Profit before taxation	85.1	82.1
Dividend received	(57.5)	(55.4)
Profit before taxation (excluding dividend received)	27.6	26.7
Adjustments for:		
Share-based payments	0.5	0.9
Interest income	(29.7)	(29.2)
	(1.6)	(1.6)
Movements in working capital:		
Increase in trade and other receivables	(24.7)	(39.1)
Decrease in trade and other payables	(15.6)	–
Net cash used in operating activities	(41.9)	(40.7)
Cash flows from investing activities		
Dividend received	57.5	55.4
Net cash generated from investing activities	57.5	55.4
Cash flows from financing activities		
Proceeds from issue of shares by EBT	2.2	–
Purchase of own shares by EBT	(8.7)	(3.1)
Dividend paid to equity holders of the Parent	(9.2)	(8.5)
Purchase of ordinary shares for cancellation	–	(3.1)
Net cash used in financing activities	(15.7)	(14.7)
Net decrease in cash and cash equivalents	(0.1)	–
Cash and cash equivalents at beginning of year	0.1	0.1
Cash and cash equivalents at end of year	–	0.1

Notes to the parent company financial statements

For the year ended 31 December 2025

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 2027 (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.



Notes to the parent company financial statements continued

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 investment value including intercompany receivables exceeds the market capitalisation. 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.

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)	2025	2024
Amounts payable to auditor in respect of:		
Audit of the company's annual financial statements	15.0	15.0

C6. Cash and cash equivalents

(£m)	2025	2024
Cash at bank	–	0.1

C7. Other receivables

(£m)	2025	2024
Amounts owed by subsidiary undertakings - current	323.9	281.9

The amounts owed by subsidiary undertakings bear interest at SONIA plus 2.05% (2024: SONIA plus 2.05%). The amounts are unsecured and repayable on demand. 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)	2025	2024
Amounts owed by subsidiary undertakings - non-current	205.5	193.1

The amounts owed by subsidiary undertakings bear interest at SONIA plus 2.05% (2024: SONIA plus 2.05%). The amounts are unsecured and repayable on demand. No allowance for expected credit losses has been included for amounts receivable from subsidiary undertakings as the provision rates are immaterial.

C8. Trade and other payables

(£m)	2025	2024
Amounts owed to subsidiary undertakings	–	8.8
Accruals	0.6	0.6
Trade and other payables	0.6	9.4

The amounts owed to subsidiary undertakings bear interest at SONIA plus 2.05% (2024: 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 2024	840.6
Additions - IFRS 2 costs	3.1
At 1 January 2025	843.7
Additions - IFRS 2 costs	1.1
At 31 December 2025	844.8

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 investment value including intercompany receivables exceeds the market capitalisation.

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 2030 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 £533.4 million.



Notes to the parent company financial statements continued

C9. Investment in subsidiary continued**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 group has used a pre-tax discount rate of 11.3% (2024: 11.5%).

A long-term growth rate of 2.0% has been applied to cash flows beyond 2030 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 value in use calculation uses an average annual EBITDA growth over the five-year period of 9.2%. A reasonably possible change in this key assumption would result in the elimination of headroom, being a decrease in the average annual EBITDA growth rate to 5.3% per annum over the five year period. The pre-tax discount rate, long-term growth rate and the capital maintenance assumptions did not identify a reasonable possible change that would result in the elimination of headroom.

Due to the well-publicised slowdown in NHS commissioning activity to the independent sector and due to budgetary restrictions impacting the business. Management performed an additional sensitivity analysis using a reasonably possible change in NHS revenue, keeping all other assumptions constant. The sensitivity analysis resulted in the reduction of headroom of £48.9 million to 484.5 million.

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.

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 £1,366.6 million as at 31 December 2025 (2024: £1,302.5 million), and cash amounted to Nil (2024: £0.1 million).

Credit risk

As at 31 December 2025, the company had amounts owed by subsidiary undertakings of £529.4 million (2024: £475.0 million). The company's maximum exposure to credit risk from these amounts is £529.4 million (2024: £475.0 million).

Liquidity risk

The company finances its activities through its investment 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)	2025	2024
Final dividend for the year ended 31 December 2023 (2.1 pence per share)	–	8.5
Final dividend for the year ended 31 December 2024 (2.3 pence per share)	9.2	–
Total dividends paid	9.2	8.5

Since the end of the financial year, the directors have proposed a final dividend of approximately 1.5 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 2025.

Financial assets: carrying amount and fair value:

(£m)	2025	2024
Loans and receivables		
Cash and cash equivalents	–	0.1
Amounts owed by subsidiary undertakings	529.4	475.0
Total financial assets	529.4	475.1

The above financial assets are not impaired.

Financial liabilities: carrying amount and fair value:

(£m)	2025	2024
Amortised cost		
Amounts owed to subsidiary undertakings	–	8.8
Total financial liabilities	–	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 2025 the company had short-term borrowings of Nil (2024: £8.8 million) owed to subsidiary undertakings, which are repayable on demand and bear interest at SONIA plus 2.05% (2024: SONIA plus 2.05%). Interest on these borrowings in the year amounted to Nil (2024: 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 £529.4 million (2024: £475.0 million) and Nil (2024: £8.8 million) 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 9.

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. From 17 January 2025, the total third-party annual commitments of the group under these leases increased to £73.6 million (2024: £71.1 million) per annum following annual indexation in line with RPI.

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 2025 the group complied with the required covenants and the lease liability held on the consolidated balance sheet is £650.0 million (2024: £645.0 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 2025, is not considered to be significant. As a result, no liability has been recorded (2024: 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 2025, there was no breach in the required covenants and the lease liability held on the Consolidated balance sheet is £84.0 million (2024: £81.2 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 2025, is not considered to be significant. As a result, no liability has been recorded (2024: 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)	2025	2024
Amounts owed from subsidiary undertakings – Spire Healthcare Finance Limited, Spire Healthcare Limited and Spire Healthcare (Holdings) Limited	529.4	475.0
Amounts owed to subsidiary undertakings – Spire Healthcare Limited	–	(8.8)
Net amounts owed from subsidiary undertakings	529.4	466.2

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)	2025	2024
Amounts invoiced to subsidiaries	74.7	128.3
Amounts invoiced by subsidiaries	(19.1)	(71.8)
Dividend received from subsidiaries	57.5	55.4

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 103 to 113.

(£m)	2025	2024
Short term employee benefits*	1.0	1.0
Share-based payments*	0.5	1.0
Total	1.5	2.0

* 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.