Westfield Contributory Health Scheme Limited
(A Company limited by guarantee and not having a share capital)
Company Number: 303523

Annual report

and consolidated financial statements

Year ended 31 March 2024

Company information

Chair
S Purdham

Chief Executive
D A Capper

Executive Director
J S Hogan (Chief Operating Officer & Deputy Chief Executive Officer)
A M Mucci (Chief Growth Officer)

Senior Independent Director
J Hartley

Non-Executive Directors
R Copeland
T Nicholls
R Stubbs
N Webber

Registered Office
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Sheffield
S1 3FZ

Auditor
BDO LLP
Chartered Accountants
55 Baker Street
London
W1U 7EU

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Statement from the Chair

31 March 2024

At Westfield Health, we are dedicated to driving positive change for our customers and colleagues, making a transformative impact on the communities where they live and work. Our unwavering focus on innovation and improvement allows us to continually enhance lives through our healthcare and wellbeing initiatives.

Record-breaking performance

This year, our Insurance business has reached an unprecedented number of policyholders, significantly enhancing our ability to provide essential healthcare and preventative support, impacting more lives than ever before. Our Wellbeing business has also made remarkable strides, expanding our Corporate Fitness and Wellbeing services to an increasing list of blue-chip customers across numerous geographical regions.

Despite ongoing economic and political uncertainties, our team's ambition and adaptability have driven us to achieve outstanding results. Group revenue has soared from £82 million to £88 million, marking a robust 7.2% annual growth. This impressive achievement underscores our unwavering commitment to innovation and excellence.

We now proudly employ almost 500 colleagues across 11 countries, furthering our expansion into some of the world's most pioneering corporate wellbeing spaces.

Record group revenue of

£88 million

up from £82m last year.

Strategic developments and future vision

To ensure sustained success, we have consolidated our operations into two focussed business units: Insurance and Wellbeing. This strategic move reflects our commitment to building robust businesses in our chosen sectors, creating a sustainable Group to maximise our impact on health and wellbeing.

Guided by the principle that healthy people create healthy businesses, we continuously gather and act on evidence from our colleagues. Whether through preferred training topics or valuable wellbeing support, we understand the importance of flexibility. Our flexible and hybrid working policy has significantly boosted performance and wellbeing across the Group.

Empowering our people

We practice what we preach, striving for a diverse and inclusive culture. Our adaptive people strategy is built on continuous feedback from our colleagues, ensuring they feel supported and valued. Our commitment to our colleagues has been recognised by Investors in People, reaffirming our 'Gold' status.

Focusing on three pillars—ethnic diversity, disability, and women in leadership—we have launched a new recruitment system with blind screening and regular DEI training programs. These initiatives are already making a positive impact, and we are committed to further progress in the coming year.

“Responding to consumer behaviour and exploring new technologies, we have led pioneering trials, including a successful virtual reality mindfulness pilot.

Innovation and technology

Our growth mindset drives us forward, investing in research and innovation to foster positive change. Responding to consumer behaviour and exploring new technologies, we have led pioneering trials, including a successful virtual reality mindfulness pilot. Our teams are actively incorporating AI tools to enhance our future capabilities.

We continue to invest in our core technology systems, transitioning more customers to our latest digital platforms. This investment ensures we can support our customers more efficiently, following a clear roadmap for future enhancements.

This year we have recognised a significant impairment on the investment of our new core computer system. Whilst this adjustment impacts the financials presented within this report, it underscores our strategic investment in future innovation and growth. This project remains vital to our long-term vision, poised to yield future benefits and reinforce our competitive edge as we advance our technological capabilities. The impairment in 2023/24 ensures that the carrying value reflects the value in use of the asset.

Giving back

Social responsibility is central to our mission, with the core focus on making a tangible health difference in people's lives. Through our giving-back strategy, Westfield One, we leverage our resources to create impactful, scalable projects that address pressing community challenges across the UK and Europe. We are proud to commit at least 1% of our annual revenue to initiatives that act as catalysts for change, particularly in areas of health and wellbeing.

Our strategic partnerships exemplify our impactful approach. Collaborating with organisations like Dame Kelly Holmes Trust, we connect world-class athletes with underprivileged young people, boosting their confidence, aspirations, and overall wellbeing. Our support for Baton of Hope's suicide prevention campaign is another testament to our commitment. As the first employer to sign their workplace charter, we are dedicated to raising mental health awareness and driving meaningful change.

By investing in partnerships and initiatives such as these, we aim to create a ripple effect that magnifies our impact, addressing inequalities and improving health outcomes on a larger scale

Closing thoughts

In conclusion, I extend my deepest gratitude to our Board, Group Leadership Team, and all our colleagues for their dedication to our vision. Your curiosity, ambition, and energy are the bedrock of our success. To our customers, thank you for your ongoing trust and support as we continue this journey of growth and transformation.

Stephen Purdham
22 July 2024

Strategic Report

For the year ended 31 March 2024

The strategic report is prepared in accordance with The Companies Act 2006. The report outlines the activities of Westfield Contributory Health Scheme Limited (the “Company”, “Westfield”) and its subsidiaries (together, the “Group”, “Westfield Health”) in the year and reviews the principal risks facing the Group.

Why we exist (our purpose)

We're dedicated to making a healthy difference to the quality of life of our customers and the communities in which they live and work.

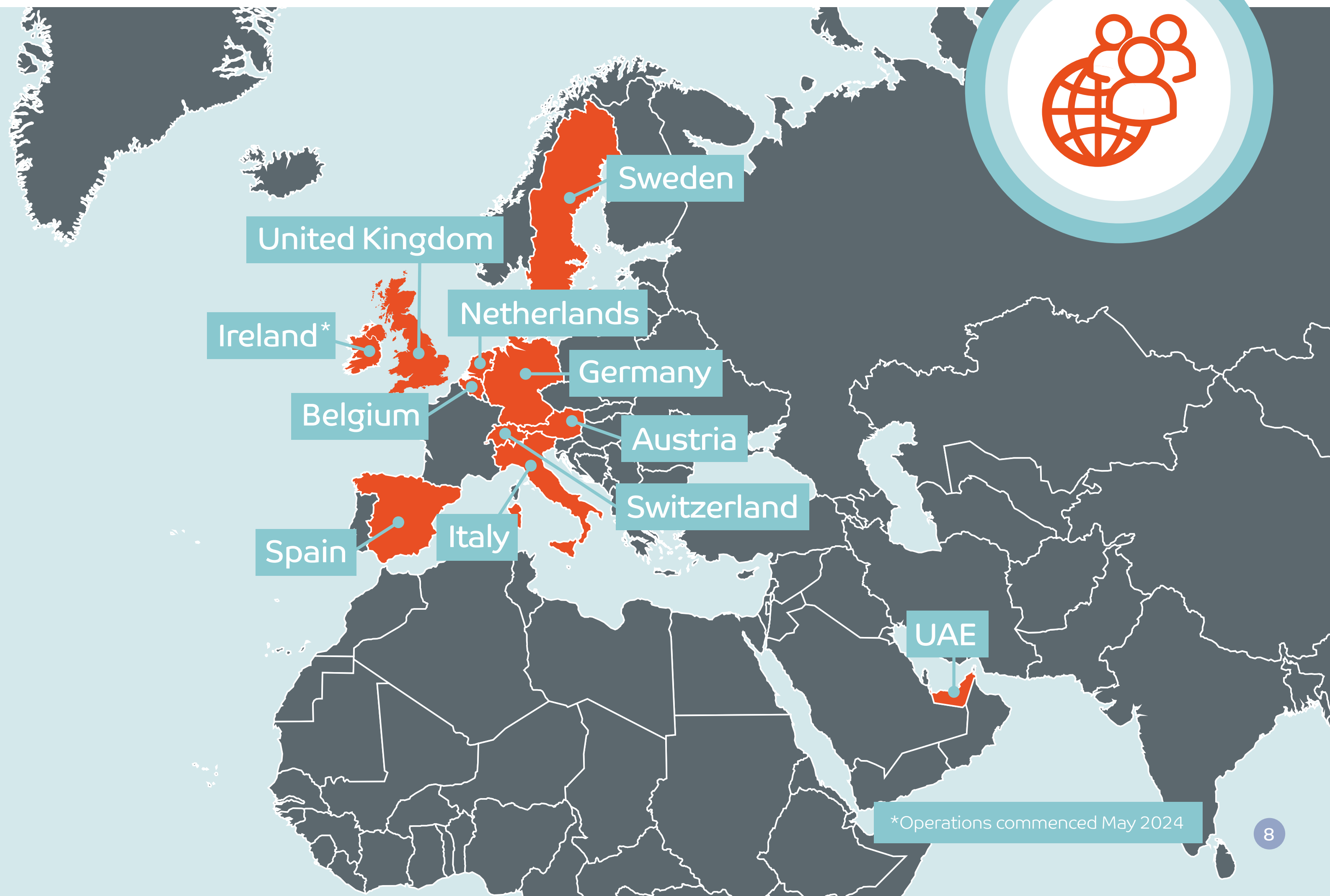
What we do (our mission)

We inspire and empower each other to be the best that we can be, so we can deliver evidence-based health and wellbeing solutions that support people, communities, and workplaces to be healthier.

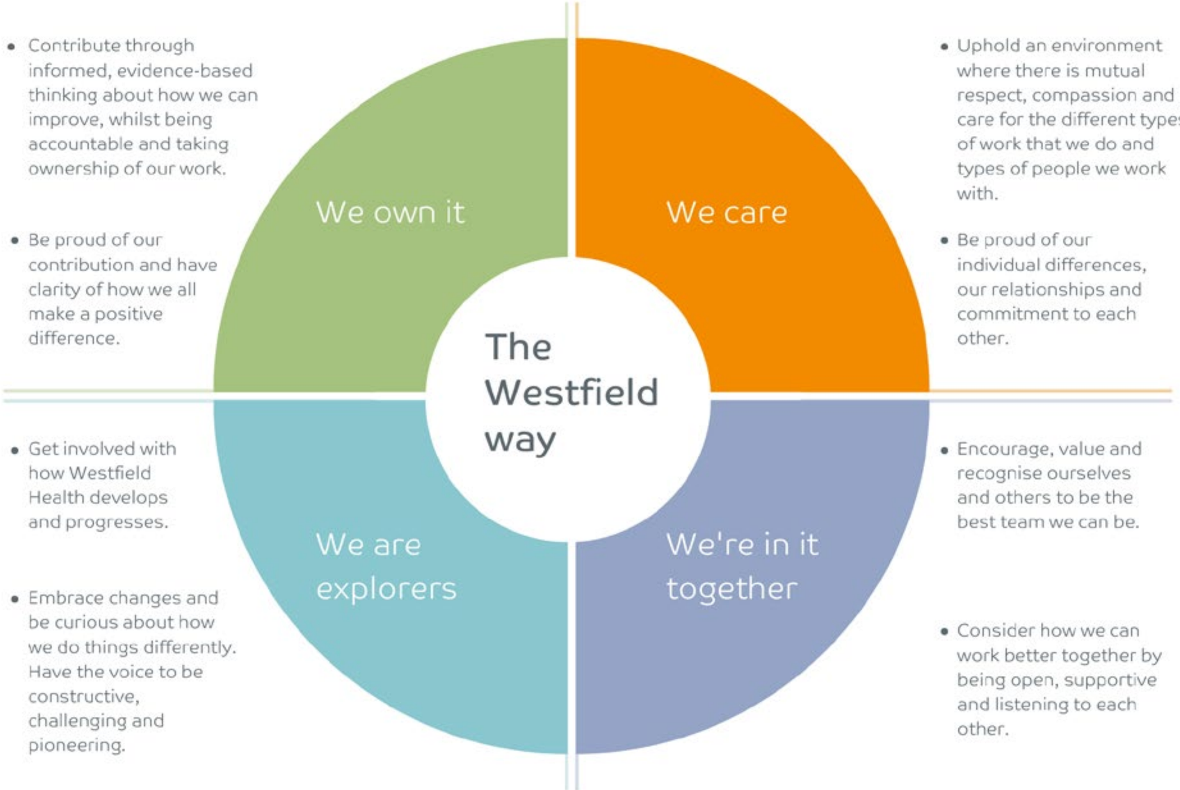
We're proud of our not-for-profit heritage and are passionate about making a healthy difference. We have no shareholders, so the more successful we are the more we can give back to those around us.

Where we operate

The Westfield Health Group operates in 11 countries across EMEA.



The Westfield Way
Guiding principles of our work and how we operate



What we want to achieve

Be a community-focused organisation making a positive impact in the local communities that we serve.

Embed the 'Westfield Way' into the employee lifecycle to ensure the values we have been building for over 100 years continue on in the way we operate.

Sustainable growth with all business units, products and distribution channels contributing to the financial sustainability of our organisation.

Business diversification into the health and wellbeing arena to reduce the reliance on individual product offerings and to maximise the benefit of strategic partnerships in place.

Drive efficiency and effectiveness through process optimisation to streamline our operating model and ensure the best customer experience possible.

Complete the development of a secure and enabling technological platform that will help us realise our strategic purpose.

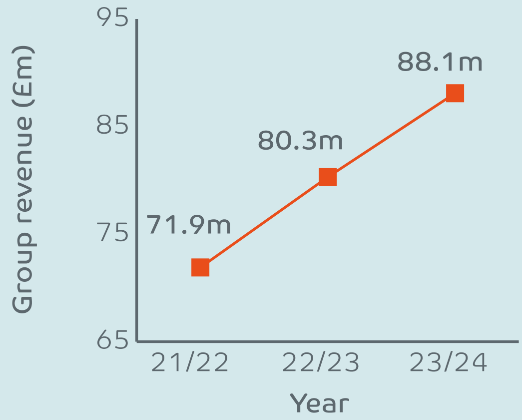
Continue to develop our capability and experience to be recognised as the go-to provider of corporate wellbeing in the markets in which we choose to operate.

Highlights of the year

The Westfield Health Group's key performance indicators for the 2023-24 financial year.

£88m
Group revenue

The highest in our 105-year history



Wellbeing trading income

£16.2m

2022/23: £13.2m

Over 450 corporate wellbeing clients

Over 80 Active Space locations

Gross premiums

£71.9m

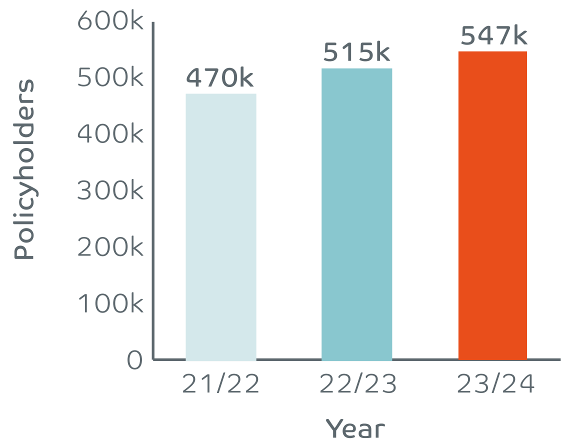
2022/23: £67.1m

Policyholders

547k

2022/23: 515k

Annual policyholder growth of 32k



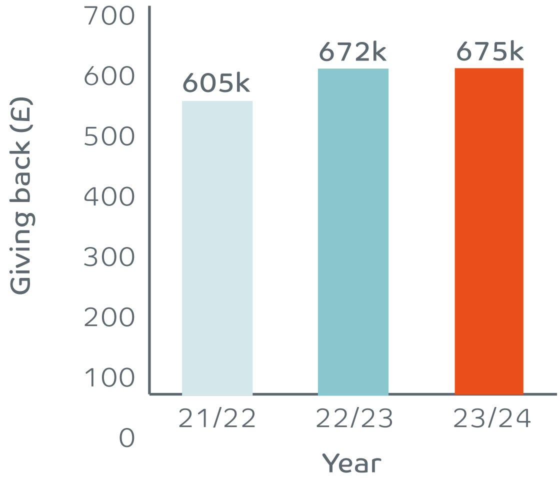
Highlights of the year continued

Giving back

£675k

(incl. £361k Gift Aid)

2022/23: £672k (£448k Gift Aid)



Group net reserves

£67.4m

2022/23: £72.0m

Solvency II coverage ratio

247%

2022/23: 261%

A review of the year for the Group

Financial year 2023-24 will be remembered as a period of real significance in terms of how the Westfield Health Group made material progress with our ongoing investment in our digital capability and IT infrastructure, as well as driving long-term sustainable business diversification.

In spite of the volatile world we live in, significant progress was made during the past financial year. We achieved record levels of new business sales, maintained world class customer service standards and created a pathway which sees us aspire to grow Group revenues to over £100m by financial year 2025/26.

Customer claim values in our insurance business returned to higher than pre-pandemic levels, which we celebrate from a customer value perspective. This also saw us recommence our equitable pricing strategy which ensures we balance customer value against the inflationary environment we continue to operate in.

The progress made in relation to our ongoing investment in our digital capability and IT infrastructure has not only enabled us to migrate a meaningful proportion of insurance business to our new state of the art health insurance administration system during 2023, but it has also helped us to secure new large insurance contracts simply by being able to implement improved technology solutions required by customers.

The work is ongoing and whilst great progress has been made we recognise that significant costs are being incurred. The decision has been made to impair the cost of the development again this year to ensure the balance sheet reflects the value in use of the asset. See note 13 of the financial statements for further details.

As we now look forward and envisage our future, we do so with a great deal of confidence and excitement that we can be technology-led and open to new opportunities.

> “As we now look forward and envisage our future, we do so with a great deal of confidence and excitement.

Work is well underway to develop plans to support an enhanced business-to-business proposition for our UK Insurance business, as well as continuing to develop and invest in our international corporate wellbeing proposition to help us cement our place as the go-to provider of corporate health and wellbeing in the markets we operate in.

Our Wellbeing business units (Westfield Health and Wellbeing Ltd in the UK and High Five Health Promotion in Europe) have both made solid progress towards delivering against our ultimate strategic goal of achieving material business diversification. So much so that work is well underway to bring both of these trading entities together under the leadership of one Managing Director, creating one Wellbeing business unit effective from 1 April 2024.

The same principle applies for our UK Insurance business. To ensure we have total focus on securing our position as the leading corporate health cash plan provider in the UK — and to take advantage of the technological advancements made — we have appointed a Managing Director to the Insurance business, effective from 1 April 2024.

This change in leadership structure is a direct consequence of the fantastic progress that has been made during the past 24 months and reflects our commitment to invest in the future and our Group strategy.

Driving performance through wellbeing

We recognise the important role we play in embedding health and wellbeing into everyday life. That's why we continually strive to improve and monitor the impact of our behaviour on not just our company performance, but also our colleagues, customers and community.

Colleagues

At Westfield Health, we care about our people. We're dedicated to creating an empowering and inclusive workplace where everyone feels valued and connected. Our colleagues are our greatest asset, and we strive to provide a supportive environment where everyone's voice is heard and recognised.

We use the data from our colleagues to shape how we do things, and our evidence shows that this approach has created a higher performing culture and increased engagement, as well as promoting us as being a great place to work.

“How they look after people is second to none – they really care about us.”

— Colleague contribution to Investors in People focus group

493

employees across the Group

2022/23: 472

FTE: 408 (2022/23: 368)

Investing in our people

Westfield Health proudly maintains the Investors in People Gold accreditation, initially achieved in 2019 and reaffirmed in 2022. In May 2023, our collaboration with Investors in People for the annual review expanded, engaging a broader spectrum of colleagues within our group. The results confirmed that we're still performing at gold level.

The accreditation underscores our dedication to fostering high performance through exemplary people management practices. Central to our people strategy lies the unwavering commitment to nurturing and empowering our colleagues across the Group.

INVESTORS IN PEOPLE®
We invest in people Gold

Key areas of focus

- Collaboratively developing departmental people plans with our managers.
- Expansion of our learning and development offerings, including apprenticeships and mentoring opportunities.
- Enhancements made to the structure of our annual bonus reward scheme, with the inclusion of Westfield Way behavioural objectives.
- Succession planning for each department.
- Group-wide recognition events.

Coming up

- Leadership development programmes, following the introduction of a leadership capability framework.
- External and internal support for financial wellbeing.
- Creating greater transparency surrounding our pay review process with colleagues.

Our DEI work

We're actively advancing our DEI Strategy through both internal collaboration and external partnerships, embodying our commitment as an inclusive employer. Our approach is centred on learning experiences, fostering understanding and highlighting the importance of DEI. The DEI survey provides a baseline from which we can progress on our mission to foster a culture of inclusiveness for all colleagues.

44% of colleagues participated in the survey across the Group.

14% consider themselves to be neurodivergent.

9% have a disability or health condition.

42% have caring responsibilities.

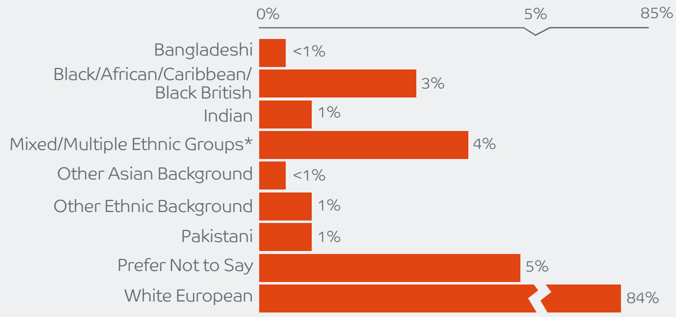
Gender identity

60% Female

38% Male

2% Prefer not to say

Ethnicity



Key areas of focus

- Unconscious bias and microaggressions awareness workshops.
- Training for managers on inclusive recruitment practices.
- Launch of a new recruitment portal with streamlined and enhanced DEI experience.
- Women in leadership focus group to empower and promote gender diversity.
- Spotlight stories shared by colleagues during National Inclusion Week.
- Disability focus group to enhance inclusivity and accessibility.
- Introduction of an inclusion passport.
- Neurodiversity awareness content to facilitate effective communication with neurodiverse customers and leadership training to support neurodiverse colleagues.

Coming up

- Training for managers on effectively supporting colleagues with disabilities.
- Focus groups for our ethnically diverse colleagues.
- Westfield Way Development Programme fuelled by Investors In People (IIP) findings, pulse surveys and equal opportunities.
- Annual wellbeing survey to be delivered group-wide.

***Mixed/Multiple Ethnic Groups** includes Asian and White, Black African and White, Black Caribbean and White, Other Mixed Ethnic Background

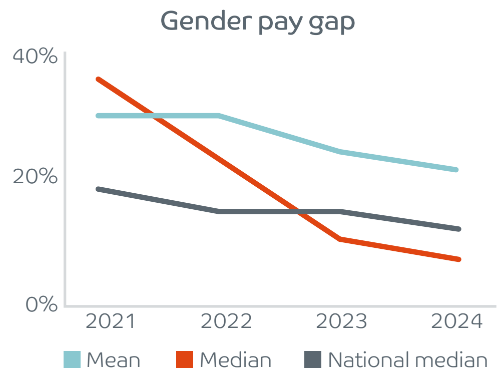
Our gender pay gap

Our median gender pay gap is 8% and our mean gender pay gap is 23% . This represents significant progress, with our median pay gap closing by 28% since 2021.

The national average median gender pay gap is 14.3%.

The figures below cover our UK workforce.

Gender pay gap	2021	2024
Mean	30.5%	23%
Median	35.9%	8%



What changes have we made?

- Fair, transparent and inclusive pay reviews that involve all management structures.
- Increased flexible working opportunities.
- Engagement events and colleague-led network groups, on topics such as menopause.
- Improved D&I data collection, integrating all colleagues across the group.
- More females appointed in managerial roles.

What's next?

Our aim for the future is to maintain our median gap and focus on our mean pay gap. Although we have seen improvements in our results and sit below the national average for the median gender pay gap, we need to build on this momentum through our DEI strategy.

Women in leadership has been identified as one of our main DEI pillars, with a focus on the following:

- Recruitment
- Training
- Partnerships
- Colleague engagement activities
- Mentoring and support for women

Customers

Our customer services team delivered best-ever customer satisfaction results, with customers rating our service at 4.9 out of 5, and a Net Promoter Score of 74.3%. These scores have been gained from 86,000 customers who completed a survey having contacted us or having submitted a claim.

We've made further improvements to the online customer journey via both our app and website, and we now receive over 89% of claims online. We've not forgotten the needs of our customers who call us with an enquiry and we answer their calls within 74 seconds on average. We've recently updated our telephony system to ensure that we can provide our customers with a friendly voice when they need it.

For the first time, we opened our phone lines over the festive period. Feedback from customers indicated that they liked this change, and operationally it removed much of the new year rush that we experience, helping to maximise our customer experience.

One notable change in our customer behaviour is that customers now elect to email us rather than call in. We've seen a 44% increase in email contact over the last four years. It's clear that customers want to contact us in this way, and as a result we're changing the way we respond to customer emails so that we can reply even faster than we do today.

89%
of claims submitted online

Average customer survey rating: 4.9 out of 5

Operationally, we've been able to partner with suppliers who help us serve our customers better. These suppliers help us process certain claims, handle document scanning and our outbound mail processes. By working with these partners, we've been able to improve the processing time for claims and other correspondence we receive, meaning customers get their claim settled much faster than they used to.

We've also invested in more development for our teams to make sure that they have all the information they need to help our customers. We've seen some great improvements in our first call resolution measure, where customers get the full and correct answer the first time they contact us.

In our Wellbeing business, we've continued to prioritise research and innovation, allowing us to provide our customers with access to evidence-backed health initiatives and cutting-edge technology.

This year we've led a study on the effects of vibroacoustic therapy, investigated methods to increase inclusivity in wellbeing programmes, and provided operational support for innovative consumer wellbeing events.

We also deliver interactive experiences and workshops, including health leadership training, to equip leadership teams with the knowledge and skills to build a culture of wellbeing in their organisation.

This collaborative, client-led approach means we can break down barriers, increase engagement and ensure our customers are provided with targeted, holistic support that meets the needs of their people.

Community

At Westfield Health, our not-for-profit mutual status allows us to give back to the communities we cherish. For over a century, our legacy has been one of unwavering generosity and support. Today, we proudly continue this tradition with a record-breaking year of community giving, surpassing all previous years.

We passionately commit at least 1% of our revenue annually* to charities and projects that profoundly impact the communities we serve, addressing deep-seated inequalities in health and wellness.

Our visionary and inclusive giving-back strategy, **Westfield One**, is dedicated to uplifting the quality of life for our customers and their communities. We bring this vision to life through several impactful channels:

- **Westfield One Movement Committee:** This dynamic committee spearheads strategic initiatives that address the most pressing social challenges, making a significant and lasting difference.
- **Colleague-led Giving Back Committee:** Empowering our team with their own budget, this committee fosters a sense of belonging and drives impactful donations to vital charities and causes.
- **Chairs Fund:** Dedicated to swift, responsive support, this fund addresses immediate needs such as providing life-saving defibrillators.
- **Volunteering:** Our passionate colleagues are encouraged to dedicate their time to causes they believe in, amplifying our positive community impact.
- **Office Space and Resources:** We offer our facilities to local causes near our Sheffield headquarters, supporting their events, meetings, and wellbeing initiatives.

*Due to the timing of payments the amount recorded in a year may vary from 1% of annual revenue

In 2023-24, we proudly contributed to various life-changing causes through our Westfield One Movement Committee. Here's the breakdown:

- **£675,000** total giving back spend for the year, driving profound, healthy changes in the UK and Europe.
- **Giving Back Committee**: donated to **82** charities and causes across the UK and Europe.
- **Volunteering: 302.5 hours** of heartfelt service dedicated by our colleagues
- **Defibrillator Units:** **11** life-saving units provided across the UK.
- **Office Space: 110 hours** offered for crucial events, meetings, and wellbeing activities.

The Giving Back Committee donated to 82 causes during the year:

Sheffield Sharks
Astrea Academy
Dementia UK
Wiltshire Treehouse
React
Coventry Rape and Sexual Abuse Centre
Girls on the Run
Cash for Kids
Barnsley Hospice
MedEquip4Kids
Teens Unite Fighting Cancer
Childrens Heart Surgery Fund
YAFA Charity Organisation
Manor Community Transport
Motion Exercise
Douglas Bader Foundation
Muslim Youth Helpline
The Ambulance Staff Charity (TASC)
Derby and Burton Hospitals Charity
Joss Searchlight
Wellbeing of Women
The Sheffield 1000
Deafblind UK
St Lukes Hospice
Age Concern
Berkshire MS Therapy Centre
Midland Canoe Club
Sheffield and Rotherham Wildlife Trust
Berkshire Youth
PACT - Parents Association of Children with Tumours
Mummys Star
React
Penumbra Mental Health
Bolton Wanderers in the Community
Shift.ms
Age UK Sheffield
Hope for Tomorrow
Seven Hills School
Maple PCN
Wakefield Hospice
Unity Gym Project
Alzheimers Society
Parson Cross Community Development Forum
Soundabout
West Coast Crash Wheelchair Rugby
Candlelighters
Caring for Life
The Wave Project
The Hydration Foundation
Groundswell
Yorkshire Air Ambulance
Ruskin Mill Trust
Carers Trust
Sheffield Sports Commentaries
British Disabled Angling Association
Notthingham BID
Ignite Imaginations
The Thunder Project
Women Inc
Childrens Bereavement Centre
Teenage Cancer Trust
Wythenshawe Community Housing Group
Cruse Bereavement Support
Hearts Together
Footprints Conductive Education Centre
Marches Family Network
Caudwell Children
Shine
Light Peer Support
Family Restoration Services
The Grand Appeal
Performance Running
Pins and Needles
Sheffield Young Carers
Sheffield United Community Foundation

Supporting impactful projects

We meticulously select projects that have the potential to scale, address profound inequalities and ignite catalytic change in health and wellness. We understand the critical importance of the first and last pounds of funding, and we take immense pride in being the catalyst that transforms impactful initiatives into thriving, flourishing realities.

At Westfield Health, we are dedicated to making a significant, lasting impact on the communities we serve. With unwavering passion and commitment, we strive to be a force for good and a beacon of hope and positive change.

Key Initiatives Supported in 2023-24

The British Transplant Games: This inspiring event showcases the transformative power of transplantation, raises public awareness about organ donation, and encourages transplant recipients to lead vibrant, active lives. Our participation in the Games in Coventry was a celebration of life and health.

DAME KELLY HOLMES TRUST

Dame Kelly Holmes Trust: This Trust empowers young people to reach their full potential through mentorship from world-class athletes. Our partnership provides essential coaching, mentoring, and life skills to disadvantaged young people in Sheffield, unlocking their boundless potential.

BATON OF HOPE

Baton of Hope: As the UK's largest suicide awareness and prevention initiative, this project opens crucial conversations and drives essential actions. We proudly supported the initial foundation of the Baton of Hope which culminated in their first ever National Conference 'Making Suicide Prevention Everyone's Business,' uniting passionate individuals to transform the perception and treatment of suicide.

British Transplant Games Donor Run, 2023

Community impact story: Dame Kelly Holmes Trust

DAME KELLY HOLMES TRUST

Transforming lives with On Track to Achieve (OTTA)

Dame Kelly Holmes Trust's "On Track to Achieve" (OTTA) program is a transformative initiative dedicated to building confidence, resilience, self-esteem, and overall wellbeing among young people. By placing world-class athletes shoulder-to-shoulder with youth in 12 local schools, this program fosters inspiring mentorship and drives positivity, empowering young individuals to realise their potential.

Outstanding impact and recognition

In February, the "On Track to Achieve" program and Westfield Health were honoured with the Sports Gives Back Community Partnership Impact Award on National TV for its remarkable positive impact on over 300 young people in Sheffield.

Year 2 highlights – impact report (2022-23)

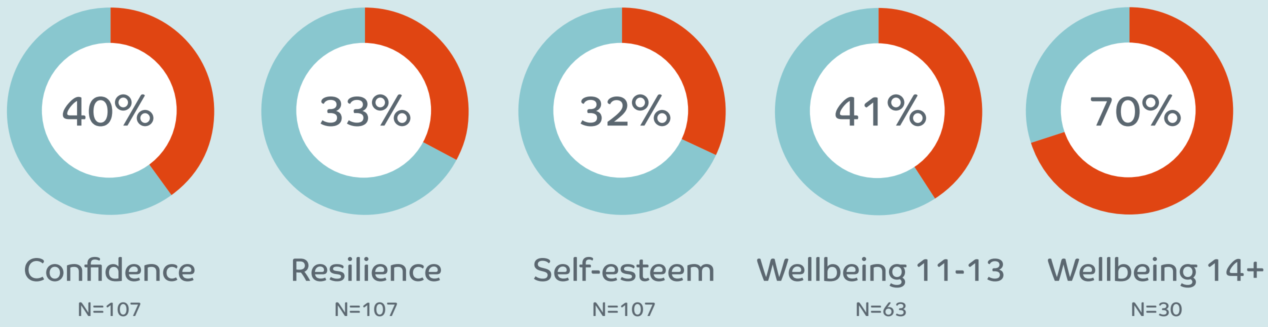
In the second year of our partnership, we supported 164 young people in education via OTTA, delivered by dedicated athlete mentors. This initiative targets young people, including those with social workers, pupil premium, social and emotional mental health challenges, and those in need of positive role models. The program aims to enhance their confidence, resilience, and wellbeing, instilling a winning mindset and empowering them to achieve their goals.

- 12 local schools involved in On Track to Achieve
- 164 young people took part in On Track to Achieve
- 300 young people impacted in total

> "At the start I had a lot of anger issues, and my mentor has helped me manage those feelings through sport — he helped me support myself and others."
>
> — Fabian, a student who participated in the On Track to Achieve programme

Transforming futures with On Track to Achieve

The OTTA program has made a profound impact on young people, especially those from deprived backgrounds. This year, the program increased young people's confidence by 40%, self-esteem by 32%, and resilience by 33%.



What this change means for a young person:

Increased Confidence (40%)
A 40% increase in confidence means a young person is more likely to speak up in class, participate in group activities, and take on new challenges. This newfound confidence can open doors to opportunities they might have previously thought were out of reach, which is particularly important for young people from disadvantaged backgrounds.

Enhanced Self-Esteem (32%)
A 32% boost in self-esteem means these young individuals start to see their own worth and potential. This can lead to setting higher personal goals, feeling proud of their achievements, and having a positive outlook on life. It helps them to believe in their abilities and aspire to greater things.

Strengthened Resilience (33%)
With a 33% increase in resilience, young people become better equipped to handle setbacks and challenges. This means they can cope more effectively with difficult home circumstances, school pressures, and societal challenges. Resilience empowers them to bounce back from adversity and continue striving towards their goals.

The impact on their future

This transformative change means these young people are more likely to stay engaged in education, pursue higher education, or secure meaningful employment. They are better prepared to build healthy relationships, contribute positively to their communities, and break the cycle of deprivation. With increased confidence, self-esteem, and resilience, they have the tools to create a brighter, more successful future for themselves.

The "On Track to Achieve" program is not just about immediate improvements; it's about laying the foundation for lifelong success and well-being, empowering young people to transform their lives and reach their full potential.

Community impact story: Baton of Hope

Creating a zero-suicide society: the impact of the Baton of Hope and the Workplace Charter

At Westfield Health, we are honored to join forces with the Baton of Hope, a movement dedicated to fostering a zero-suicide society. This initiative aims to drastically reduce the staggering number of over 6,000 suicide deaths annually in the UK, a figure that underscores the urgent need for preventative measures. Our collective vision is to cultivate a society where conversations about suicide are open and constructive, where hope is instilled through actionable support, and where every individual plays a crucial role in achieving this mission.

The Baton of Hope: symbolising a brighter future

The Baton of Hope, the UK's largest suicide prevention initiative, serves as a powerful symbol of our commitment to saving lives. Designed by Thomas Lyte, this baton represents the journey from despair to hope, with its upward spirals symbolizing the support and strength provided by a united community. The semi-colon at the top signifies a pause, a choice to continue life's story rather than end it, emphasising that with the right support, there is always hope.

In 2023, the Baton of Hope embarked on an unprecedented tour across 12 UK cities in 12 days, engaging communities and sparking vital conversations about mental health and suicide prevention.

> When it comes to suicide prevention, we all need to do more. We need to keep talking about suicide. We need to understand how we as individuals and collectively as a society can help more people survive mental health challenges.
>
> That's exactly what Baton of Hope stands for, and we're incredibly proud to be supporting this conference.
>
> Baton of Hope is more than an organisation. It's a movement. It's about joining together across the community to make real change. It's about saving lives.

— Dave Capper, Group CEO at Westfield Health, speaking at the inaugural Baton of Hope National Conference.

The Workplace Charter: a commitment to prevention and support

The Baton of Hope Workplace Charter is a comprehensive pledge designed to make suicide awareness, support, and prevention a priority within organizations. By committing to this pledge, businesses demonstrate their dedication to creating supportive work environments where mental health is openly discussed, and appropriate resources are readily available.

Key principles of the Workplace Charter include:

- Prioritizing Suicide Awareness and Prevention: Integrating clear messaging about suicide into workplace communication and training.
- Implementing Support Services: Providing early detection and supportive services for employees at risk.
- Embracing Lived Experiences: Valuing the insights of those who have experienced mental health challenges or suicide.
- Promoting Crisis Services: Highlighting resources for suicide prevention and counselling.
- Fostering an Open Culture: Encouraging open discussions about mental health and suicide.

This pledge not only aims to reduce the incidence of suicide but also to enhance overall mental well-being in the workplace, fostering a healthier, more supportive work environment. By embracing this pledge, organizations play a pivotal role in the broader goal of achieving a zero-suicide society.

Making a difference

By supporting the Baton of Hope and adopting the Workplace Charter, we commit to a future where mental health is prioritized, stigma is eradicated, and every life is valued. This collective effort can inspire hope and save lives. Without the support of Westfield Health, it is unlikely that this transformative idea would have gotten off the ground.

For more information on the Baton of Hope and how you can get involved, visit their website at www.batonofhopeuk.org.

Other key developments

Strategic Partnerships — investing in research

We continued to invest in our relationship with the Advanced Wellbeing Research Centre at Sheffield Hallam University in 2023/24, working together to achieve our jointly held mission of making healthier differences to people's lives through collaborative and innovative research.

Together, we draw expertise from healthcare, business, technology, psychology, sports science, and the arts to develop innovations that help people feel healthier and happier at work, bringing benefits to individuals and the communities in which people live and work.

Sheffield Hallam University | Advanced Wellbeing Research Centre

Examples of our collaborative work with the AWRC in the past year include:

- Evidence review to better understand the attitudes to and perceptions of workplace wellbeing amongst ethnic minority employees.
- Development of evidence-based portfolio of resources and exercise programming to support women in midlife, especially around menopause transition.
- Evaluation of the effectiveness of vibroacoustic therapy for stress for employees at their place of work.
- Acceptability study of a novel seismocardiography device for measuring cardio-respiratory fitness in a workplace health check.
- Investigation into the Social Value of sport at work.
- Community research by embedded ethnographer to better understand the needs, aspirations and challenges related to sport and employability of young people in an underserved community in Sheffield.

Our research goes well beyond physical and mental health, and we want to address all areas of experience that impact the health and happiness of people at work, including personal, social, and financial domains. The AWRC are critical partners in the Research & Consultancy Services that we offer to our clients, where we will continue our focus on diagnosing wellbeing need and evaluating impact of programmes into 2024/25.

> "Working together to achieve our jointly held mission of making healthier differences to people's lives through collaborative and innovative research.

Information Technology

Our New Policy Administration system has taken a huge leap forward this year. We've engaged with a new development partner, introduced new ways of working and have invested in quality people to help with development and delivery. This has resulted in a whole new delivery tempo and cadence where cohorts of customers are now regularly migrated from the legacy system.

We're working closely with colleagues in customer services and sales to ensure that the system meets new and emerging requirements as our company grows. We release new features every other week on our new policy system and support our colleagues with additional briefings and training as the new features drop. We also use the feedback from the training to improve the user experience for subsequent features.

We've recently started work on the next system integration into our new policy system, which will introduce industry standard invoice, finance and banking capabilities. We have also launched a new corporate portal, where customers are able to maintain their employee benefit records as well as personal information for each employee.

Whilst we're pleased with the progress being made on developing the new system, we recognise that the cost is significant. A decision has been made to impair the carrying value of the asset by £5.2m this year to ensure the value of the asset is prudent within the accounts and reflects an appropriate value in use for the system as at March 2024.

Our IT strategy has been focused across three main areas:

- Developing our new policy administration system
- Refreshing our legacy administration system
- Updating our infrastructure

The new system is just one part of our investment in technology which will make us more agile, not only in terms of service delivery, but also by allowing us to be more efficient when developing new products and propositions.

We're aware that we still have some way before we can decommission the legacy system, so we have also invested in new hardware which helps to ensure excellent system availability and performance for our users. We've also added further resource into the team, to eliminate people dependency risks.

Our data centre to cloud migration program is nearing completion for most systems. This has been a significant piece of work, where we have decommissioned most of our servers in our data centres, moving the processing to a cloud supplier. This move helps ensure system availability as well as simplified maintenance and support options. This work has also provided additional benefits as we've been able to either decommission outdated software and data repositories or update systems to latest versions – again increasing reliability and security.

Key performance indicators

Insurance KPIs		2024	2023	Change
Net Promoter Score	%	74	73	1.0
Customer satisfaction (CSAT)	/5	4.9	4.8	0.1
Gross Premiums	£m	71.9	67.1	4.8
Gross Claims Ratio	%	72.7	69.0	3.7
Operating Expense Ratio	%	25.8	26.6	-0.8
Combined Ratio	%	108.3	103.1	5.2
Solvency Ratio	%	247	261	-14
Wellbeing KPIs		**2024**	**2023**	**Change**
Wellbeing Trading Income	£m	16.2	13.2	3.0
Wellbeing Gross Profit Margin	£m	4.7	4.1	0.6

Net Promoter Score and CSAT
Net Promoter Score ("NPS") is a customer loyalty metric that asks policyholders (amongst other questions) "How likely is it that you would recommend Westfield to family, friends or colleagues?" We are pleased to report a high Net Promoter Score of 74% and an overall customer satisfaction rate ("CSAT") of 4.9/5.

Gross premiums
There has been a net increase in total policyholder numbers year on year of 6.1%. In addition, prices on the voluntary products were increased during the year in response to the increased claiming experience observed. Overall, this resulted in a 7.2% increase in gross premiums year on year.

Wellbeing KPIs
Trading income in the Wellbeing business unit grew over the year, with new contracts established to service active space sites spread across the EMEA region. As our brand and reputation in the market grows we see continued growth in this area.

4.9
out of 5 customer satisfaction

74%
Net Promoter Score

Gross claims ratio

The gross claims ratio continued to increase in the year to March 2024 as inflation and the economic environment meant policyholders claimed more on their plans.

The gross claims ratio does not include the benefits provided to policyholders through third parties, a number of which are seeing a sustained increase in usage post-pandemic. These include counselling helplines and access to telephone consultations with a GP.

Operating expense ratio

The decrease in the operating expense ratio is due to the ability of the business to service the increased premium income without having to increase costs by the same proportion. The close management of operating costs for Westfield remains a priority to ensure we operate in as efficient a manner as possible whilst providing the quality of service that our customers have learnt to expect from us. We are constantly looking at how we can do things differently or do different things.

Combined ratio

The combined ratio was expected to be around 100% as claims return to normal levels. The combined ratio includes intangible asset impairments in both years and the land and building revaluation in 2023. Excluding these figures the ratios would be 101.0% for 2024 and 98.0% for 2023. Excluding costs within operating expenses relating to our new IT system build in both years results in combined ratios of 98.2% for 2024 and 95.3% for 2023.

Solvency ratio

The Solvency Capital Requirement (SCR) for the year ended 31 March 2024 will be submitted in line with the Solvency II reporting timetable, which is due in July 2024. The Company's capital resources valued under Solvency II guidelines for the year ended 31 March 2024 were in excess of two times of our requirement, demonstrating a very strong capital position. The reduction in coverage year on year reflects the company's lower capital reserves that are included in the ratio following the retained deficit for the year.

Investment portfolio

Investment portfolio		2024	2023	Change
Listed Equity Instruments	£m	3.2	3.2	0
Government and Corporate Fixed Income Securities	£m	4.5	4.2	0.3
Multi-Asset Funds	£m	32.7	34.2	-1.5
Real Estate Fund	£m	2.2	2.1	0.1
Alternative Assets	£m	1.7	2.3	-0.6
Fixed Term Cash Deposits	£m	11.6	12.5	-0.9
TOTAL		**55.9**	**58.5**	**-2.6**
Investment return	%	6.3	-5.4	11.7

Compared to recent years, the investment portfolio experienced relatively low levels of volatility at the start of the year, with strong returns made in the final half of the year as markets thought interest rates would be falling sooner than had previously been anticipated. Overall, the portfolio made a positive investment return of 6.3%.

During the year funds were removed from the investment portfolio to meet the cash requirements of the group as we continue to invest in our digital capability and IT infrastructure. This resulted in an overall net reduction in the portfolio of £2.6m.

Group companies

- Westfield Contributory Health Scheme Ltd
  - Westfield Health & Wellbeing Ltd
    - Westfield Health, Fitness & Sports Management L.L.C.
    - Westfield High Five B.V.
      - High Five Health Promotion B.V.
    - Westfield Health and Fitness Ltd
  - Westfield Employment Services Ltd
  - Westfield Health Ltd
    - Bolton & District Hospital Saturday Council
      - UK Healthcare Limited

Bolton & District Hospital Saturday Council ("BDHSC", trading as "UK Healthcare")

Bolton and District Hospital Saturday Council, trading as UK Healthcare provides all claims handling, administration and acquisition activity for UK Healthcare cash plans. UK Healthcare also distributes and administers health and wellbeing services as provided by Westfield Health & Wellbeing Ltd.
During the year no dividends were paid from BDHSC to its parent.

High Five group of companies ("High Five")

High Five is a key enabler to realise the Group diversification strategy, building Westfield Health's capabilities in the rapidly growing corporate health and wellbeing market.
The High Five Group of companies comprises the following:

Westfield Health High Five BV – A Dutch parent company set up to facilitate the acquisition of the High Five Group and provide a management function to the subsidiary companies.
High Five Health Promotion BV – A Dutch company advising and implementing wellbeing and health promotion through fitness programs across continental Europe.

In February 2023, High Five Fitness Network BV sold their customer list for €2.0m. The company continued to trade as usual during a transition phase up to May 2023 to allow the acquirer time to transfer membership details to their administration system. The company was liquidated on 27th November 2023.

Westfield Health & Wellbeing Ltd ("Westfield Health & Wellbeing")

Westfield Health & Wellbeing provides the UK wellbeing services of the Group, including onsite corporate gym management services and whole of workplace wellbeing solutions.

Westfield Health, Fitness & Sports Management L.L.C.

This company was registered in Dubai on 30th May 2023 to facilitate the expansion of the Group across the EMEA region. The company began operating in June 2023, providing onsite corporate gym management services in Dubai.

Westfield Health & Fitness Ltd

This company was registered in Ireland on 6th December 2023 in advance of an Irish branch of High Five Health Promotion BV being established. This company has remained dormant during the year and is currently in the process of being dissolved now that the necessary branch has been set up.

Westfield Employment Services Ltd

Westfield Employment Services Ltd employs the people who provide services to the other Group companies in order to deliver the Group's vision of helping people to improve their quality of life. The turnover for the year relates wholly to the recharge of staff costs to other Group companies. The administrative expenses for the year relate wholly to the staff costs of Westfield Employment Services Ltd.

3Rings Care Ltd

3Rings Care Ltd ceased active trading in 2019, an application to dissolve the company was submitted to Companies House in March 2023 and was confirmed in June 2023.

All other companies within the group structure were dormant for the year.

Companies Act 2006 section 172 statement

The Directors continue to prioritise the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith, the Directors consider what is most likely to promote the success of the Company in the long term. We explain here in more detail how the Board engages with our stakeholders, thus seeking to comply with the requirement to include a statement setting out how our Directors have discharged their duty.

- The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006. The Directors are assisted by the Group Leadership Team (GLT), comprising senior management from around the business, as well as three Executive Directors of the Board, who further support decision making and enhance the consideration of multiple stakeholder interests.

- Stakeholders are considered by the Board throughout the annual cycle through information provided by management and also by direct engagement with stakeholders themselves. Our key stakeholders are listed below. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

- As stated in our mission, we have no shareholders, so the more successful we are, the more we can invest to enable longer term provision of benefits and give back to those around us. Having no shareholders removes a significant conflict that usually arises between different stakeholders. All decisions made in the year were for the long-term benefit of the members, policyholders and colleagues.

- The Board continues to enhance its methods of engagement with our people. Regular Employee Wellbeing seminars have been held throughout the year as well as opportunities provided for all employees to meet with members of the GLT for open discussions. Firm-wide communications from the Chief Executive have been made via online meetings and in person meetings held at head offices throughout the year. The 'Westfield Way' is an initiative to reinforce the foundation legacy principles that have served Westfield so well for over 100 years.

- We aim to work responsibly with our suppliers. Our Slavery and Human Trafficking Statement sets out the steps taken to prevent modern slavery in our business and supply chains. We have a procurement manager and procurement policy to ensure good practice and management of new and existing supplier relationships.

Our Key Stakeholders are:

- Policyholders/Members/Customers
  We continually strive to achieve an excellent customer experience, both in the products that we sell and through the way they can be accessed and utilised. In highly competitive markets it's important that we treat our customers well and fairly so we can deliver our strategy. With no shareholders, we strive to return the best value to customers.

- Colleagues
  Our commitment to our people drives us to empower employees to make a healthy difference in their own roles. We believe the Westfield team is the Group's biggest asset. We aim to create a healthy workplace where we all feel connected, heard, developed, recognised and supported. Through our processes, policies and ways of working, we endeavour to drive behaviours that support us to reach our strategic vision.

- Suppliers/Brokers
  We aim to maintain the highest possible standards of integrity in business relationships with suppliers and brokers. We are committed to prompt payment terms to ensure fair payment practice.

- The Community
  The Board are aware of Westfield's wider role in society and of the importance of supporting the local communities in which we live and work. Westfield has a Colleague Giving Back Committee which reviews donation opportunities submitted by our colleagues for good causes in their communities. Westfield also supports the British Transplant Games and has partnerships with Dame Kelly Holmes Trust and Baton of Hope via the Westfield One Movement.

- Our Regulators
  The Board are aware of their regulatory responsibilities and consider regulatory requirements when making decisions.

Risk Management

The principal risks and uncertainties facing the Group relate to:

Underwriting risk

Underwriting risk is the risk of Westfield's insurance products not performing in line with expectations.

In Westfield's core health cash plan business, claims are low in value & high in volume. Claim volume is largely driven by customer behaviour.

Claim trends, purchasing behaviour and other signals from the broader healthcare market are all monitored for indications that customer behaviour may differ from underwriting assumptions. When identified, appropriate actions are taken to mitigate risk, including targeted price changes where appropriate.

Market risk

Market risk is the risk of loss from movements in investment markets. Equity markets, interest rates, credit spreads or other financial markets all affect Westfield's investments. Any gains or losses arising on market movements are unrealised until the investment is sold, when they become realised. These risks have remained the same throughout the year.

Westfield Health's Investment Policy specifies:

- Objectives & reporting requirements around both risk exposure & medium-term returns
- A requirement for a significant proportion of assets to be in very low-risk investments.
- Concentration limits for any one investment counterparty.
- Asset allocation reporting requirements.
- The selection process of managers for investments.

The Investment Committee reports to the Board and has delegated authority to implement the agreed investment strategy. Throughout the year an investment consultant was engaged to provide risk management advice to the Committee. Market risks are measured through the following key metrics which are reported regularly to the Investment Committee, at a detailed and an aggregate level:

- Asset allocation and performance compared to benchmarks.
- Losses for the current portfolio under specific stresses.

Westfield invests in several different multi-asset funds and portfolios. Exposure to a wide range of asset classes reduces risk by reducing correlation between assets while using multiple asset managers ensures Westfield is not relying on one company's market view.

With operations in continental Europe, the Group's operating results are exposed to fluctuations in foreign exchange markets, particularly between Sterling and the Euro. These risks are not material compared to other market risks.

Credit risk

Credit risk is the risk that failure of a counterparty (supplier, customer or investee) could lead to financial or other loss for the Group or its customers.

Westfield Health does not have material exposure to credit risk other than its banking relationships, which are mitigated by holding cash with reputable banks, whose credit ratings are regularly monitored. Credit risk exposure in the investment portfolio is managed by imposing a limit on the total exposure to individual counterparties.

Policyholder debtors are low in value. Policyholder debtors are reviewed, and overdue balances investigated. The wellbeing businesses have higher-value debtors but these balances relate to very large and solvent businesses, so credit risk is considered very limited.

Liquidity risk

Liquidity risk is the risk of not having sufficient liquid resources to meet liabilities as they fall due.

This could arise from failures in cash flow forecasting and planning; or from actual cash flows being materially different to expectations, due to either higher- than-expected claims or the failure of an expected cash inflow (e.g. premium collection).

The Finance department prepares a regular cash flow forecast. Monitoring of historic cash flows allows an estimate of how much cash which may be required and hence exposure to liquidity risk.

Westfield aims to usually hold at least £2.5m in cash, and never less than £1.5m. This is estimated to be enough to allow for unexpected fluctuations and large cash outflows. A minimum of two month's gross premiums is held in assets with a liquidity term of a maximum of one month, to allow for severe unexpected cash flows.

Operational risk

Operational risk is the risk of loss from inadequate or failed internal processes or systems, or from external events.

Key risk areas include:

New IT system

Westfield is developing a new core IT system. This is a material cost and needs significant management attention.

Risks to projects include a failure to deliver the benefits expected, cost over-runs and delays in delivery. Risks from projects include conflict with other strategic projects or business as usual activities.

As described above, the Board provides oversight of strategically important projects whilst senior management manages prioritisation & resource conflicts – the new system development is considered a critical priority.

The project is managed using an Agile approach, so that the project delivers improvements regularly, rather than just at its completion.

The project has a steering group to challenge & monitor progress, and the delivery team includes developers, subject matter experts on each process, and other appropriate specialists, including external experts. Project assurance is sought when appropriate, including from internal auditors.

Data availability and security

IT failures could lead to significant issues, for example system downtime, lost productivity and data corruption, theft, or loss. Cyber security is high on the Board and Risk Committee's agenda. In the UK, Westfield's Information Security Management System (ISMS) is certified to the ISO27001 standard and operates a process of continuous improvement, which includes regular investment in cyber defences and periodic independent testing.

All staff undergo annual training in Information and Data Security.

Laptop hard disks are encrypted, and data is encrypted in transit using a VPN for staff working from home.

IT infrastructure is located at two data centres (in Sheffield & Leeds), with migration to cloud services nearing completion for most systems. The replacement IT system being developed is entirely cloud hosted to satisfy resilience and scalability requirements.

Across the Group we have business continuity and disaster recovery plans in place, as well as comprehensive cyber-insurance. Within the Insurance business, the regulatory requirements of Operational Resilience are also being reviewed and implemented to strengthen our resilience.

Key personnel

Some reliance on key individuals is expected both at operational and senior management level. This is managed by HR policies/approaches, documenting core processes, developing continuity and succession plans and aiming to ensure that, where possible, there is cover in place for key person absences.

HR policies and recruitment practices are regularly reviewed to enhance diversity and inclusion, to attract a broader pipeline of talent.

Staff turnover is monitored. There are regular surveys and regular reporting mechanisms have been developed to give insight into people related matters.

Suppliers and counterparties

Failure of a supplier could lead to financial or other loss for the Group or customers.

The Group procurement policy aims to ensure that supplier relationships are managed in a manner which is proportionate to the relevant risks, encompassing due diligence, ongoing management, and contingency planning – including consideration of when a backup supplier should be identified.

Regulation

Regulatory breaches could have serious consequences for the Group, including fines, reputational damage and potentially even loss of permission to operate. Key areas of regulation relevant to Westfield include financial services and data protection; a Compliance Manager supports the business in compliance with financial services regulation, whilst our Data Protection Officer supports data protection compliance.

We continuously monitor changes to regulations and regularly work with outside experts, including internal audit, to review specific areas of compliance.

All staff receive relevant continuous professional development & training. Data security arrangements – discussed above – reduce the likelihood and impact of data breaches.

Other material risks

Business strategy

- Senior management may set an inappropriate strategy; or
- An appropriate strategy may not be delivered.

The Board reviews strategy development & business planning, which includes both detailed short-term budgets and long-term projections of the impact of strategy on capital and solvency requirements. Key management information is shared with the Board monthly, ensuring the Board are aware of deviations from these plans.

There are Group Leadership Team sponsors for main strategic objectives to enhance accountability.

Functional plans for departments & projects are reviewed and prioritised in line with strategic planning.

Our HR strategy supports the delivery of strategic objectives.

Reputation

A loss of reputation leads to a loss of stakeholder goodwill. Depending on the stakeholder this can lead to reduced revenue, unwelcome staff turnover, or regulatory intervention. Reputation risk arises from operational or strategic risks crystallising, leading to a gap between stakeholder expectations and their actual experience; reputation risks are therefore managed by managing these other risks.

Key risks which could lead to reputation impacts include:

- Failure to deliver excellent customer service.
- Data security or financial services regulatory breach.
- Ethical choices – ranging from which jurisdictions or clients to serve, through to inappropriate responses to climate change via investment choices or business operations.
- Offering propositions which are outdated or not aligned with market requirements.

Pension Funding Requirements

Westfield has a defined benefit pension scheme. The scheme closed to future accrual in 2016, which significantly reduces the expected cost of future benefits. Changes in factors including financial markets, actuarial assumptions and regulation can change the scheme's funding requirements.

The last full actuarial valuation was performed as at 31 March 2021 and showed a surplus of £0.6m. The scheme shows a deficit of £0.4m (2023 : £0.7m surplus) as at 31 March 2024 under the FRS 102 valuation.

The scheme has a professional trustee, who is actively involved with the Group to ensure that the scheme is adequately funded and appropriately managed. Liability-driven investments are used to mitigate the risks of inflation & interest rate movements. The scheme's investment strategy aims to ensure that it is sufficiently funded, mitigating (though not completely eliminating) the risk of future costs being incurred by the Company.

Economic environment

Recent years have seen an extended period of economic uncertainty and upheaval. Uncertainty, inflation and recession are expected to have an impact on discretionary spending, including Westfield Health products; however, sales across the group remain strong with businesses continuing to invest. Experience shows that Westfield's insurance products fare relatively well during turbulent times, while employee wellbeing is an area of focus for many businesses as they seek to attract and retain talent, which creates opportunities for the Group.

Westfield Health models a range of economic scenarios so has contingency plans in place. Our pricing strategy takes account of projected inflation and pressure on business and household finances.

Insurance Premium Tax (IPT) increases

Westfield expects IPT to increase in the future, though timing is very uncertain. Even a small rise in IPT would result in a large reduction in Westfield's technical result. The harmonisation of IPT with VAT in a single step increase is improbable, but not impossible; if the current 12% rate of IPT were increased to 20% to align with VAT this would represent a huge cost for Westfield without management action. Increases in the cost of mandatory insurances due to IPT increases may also reduce client appetite for discretionary insurance products including health insurance. Westfield has considered the impact on policyholders of an increase of IPT and how or when this would be passed on to policyholders through scheme changes.

Given the benefits that health cash plans provide to the UK healthcare system, it seems unfair to raise the cost to the customer. Therefore, we are working with trade bodies who lobby the Government on the issue of charging IPT on health insurance.

Competitive marketplace

In the health cash plan market, there is the risk of being undercut on price or outperformed on customer services by competitors.

In the non-insurance market, the cost of entering the market can be relatively low, and more attractive given the increased importance and awareness of employee wellbeing over the last few years. There is therefore the risk that competitors could replicate or surpass our existing propositions.

Our proposition development is evidence-based and disciplined, taking learnings from both the marketplace and our own research to select and prioritise enhancements, to deliver relevant and proven new products for continued growth.

Risk Management Structure

Westfield Health uses a standard “three lines” model for risk management. The Chief Operating Officer/Deputy Chief Executive holds the regulatory responsibility for risk management as the nominated Chief Risk Officer / SMF4 holder.

Board

Set direction and define objectives for the Group.

Management

Support Board in setting objectives; take actions to achieve those objectives.

First line — operational management

Take the actions needed to achieve objectives & manage risks.

Second line — risk & compliance functions

Provide expertise, support, monitoring and challenge on risk & compliance.

Third line — Independent assurance

Provide independent assurance to the Board on risks.

The first line is operational management. Managers within the business are responsible for implementing systems and controls so that risks are appropriately identified and managed.

The second line consists of oversight functions who provide support, review and constructive challenge to the first line. A dedicated Risk Manager provides guidance, oversight and review of the risk management framework, and a Compliance Manager supports management and the Board in ensuring that there are adequate procedures in place to manage risk around financial services regulatory compliance.

The Risk Committee reports directly to the Board and provides regular scrutiny of risk management across the group. Its membership includes non-executive Directors and members of management; it is regularly attended by other managers from across the business.

The third line is internal audit, whose role is to provide independent assurance, and which reports directly to the Audit Committee. Internal audit conducts risk-based audits throughout the Group during the year based on an annual plan which is agreed with the Audit Committee and the Board. Internal audit was outsourced throughout the year to ensure access to the widest possible range of expertise.

Key processes for ensuring that risks remain within appetite include:

- Regular Board reporting includes metrics comparing key risks against risk appetite.
- The Risk Committee's regular agenda includes discussion of risks identified both by management and the second line functions. The Committee also has an annual workplan which covers all identified key risk areas.
- Maintenance of a risk register covering key strategic risks.
- An annual "Own Risk and Solvency Assessment" (ORSA) process, led by the Risk Committee on behalf of the Board, where key risks & their controls are identified & assessed.
- The ORSA process contributes to Westfield's capital and financial planning. Models are prepared in detail for five years and at high level to ten years under both the base case and various adverse scenarios.

Future developments

Another year of significant growth reflects the incredible value of employee wellbeing to organisations big and small. Looking ahead, we'll focus on new opportunities led by the investments we're making into innovation and development, championing an inclusive approach to wellbeing where 'one size fits one'.

Our business plan focuses on driving sustainable operating profits consistently over the next five years, with revenue expected to grow in both business units. This will ensure we can contribute to our Westfield One initiative and future business investment in order to maximise our impact and make a healthy difference to more lives.

We'll ensure this happens by focusing on three key areas:

- Optimising customer value and continuing to deliver excellent customer service, driven by efficiencies and the use of technology.
- Maintaining our competitive position in the market by developing new products, including a new B2B proposition and online corporate portal.
- Continuing to build and deliver our IT system to equip us with the technology to better service new and existing customers.

As a Board, we always try to balance our strategic business planning process as equally and as equitably as possible to ensure we remain focused on our four Cs – Colleagues, Customers, Commercial and Community – now and in the future.

Approved by the Board and signed on its behalf by:

D A Capper
Chief Executive
22 July 2024

Directors' Report

For the year ended 31 March 2024

The Directors present their report and the audited financial statements of the Group for the year ended 31 March 2024.

Principal activities

The principal activities of the Group remain unchanged. Westfield continues to operate a pecuniary loss and personal insurance business on a contributory basis. The Group also provides products and wellbeing services, including on-site corporate fitness services, health screening and campaigns to improve people's quality of life by encouraging and enabling them to make more informed wellbeing choices.

Directors

The Directors of the Company at the date of the report were:

S Purdham
Chair of Board

D A Capper,
Chief Executive

R Copeland
Non-Executive Director

J Hartley,
Senior Independent Director

J S Hogan
Chief Operating Officer
& Deputy CEO

A Mucci
Chief Growth Officer

T Nicholls
Risk Committee Chair

R Stubbs
Non-Executive Director

N Webber
Audit Committee Chair

There are no Directors retiring by rotation in the coming year.
The Group maintains Directors' and Officers' liability insurance cover.

Appointment of auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of BDO LLP as auditor of the Group is to be proposed at the forthcoming Annual General Meeting.

Board and committee membership and attendance

Board Member	Board	Remuneration Committee	Nomination Committee	Audit Committee	Investment Committee	Risk Committee	Pensions Committee
Stephen Purdham	6/6	2/2	1/1	4/4		5/5	
David Capper	6/6		1/1			4/5	1/2
Rob Copeland	5/6	2/2	1/1				
Judith Hartley	6/6	2/2		4/4			2/2
Jason Hogan	6/6				5/5	5/5	2/2
Tony Mucci	5/6				4/5		
Trevor Nicholls	5/6					5/5	2/2
Richard Stubbs	5/6						1/2
Nicola Webber	6/6			4/4		5/5	

Distributions

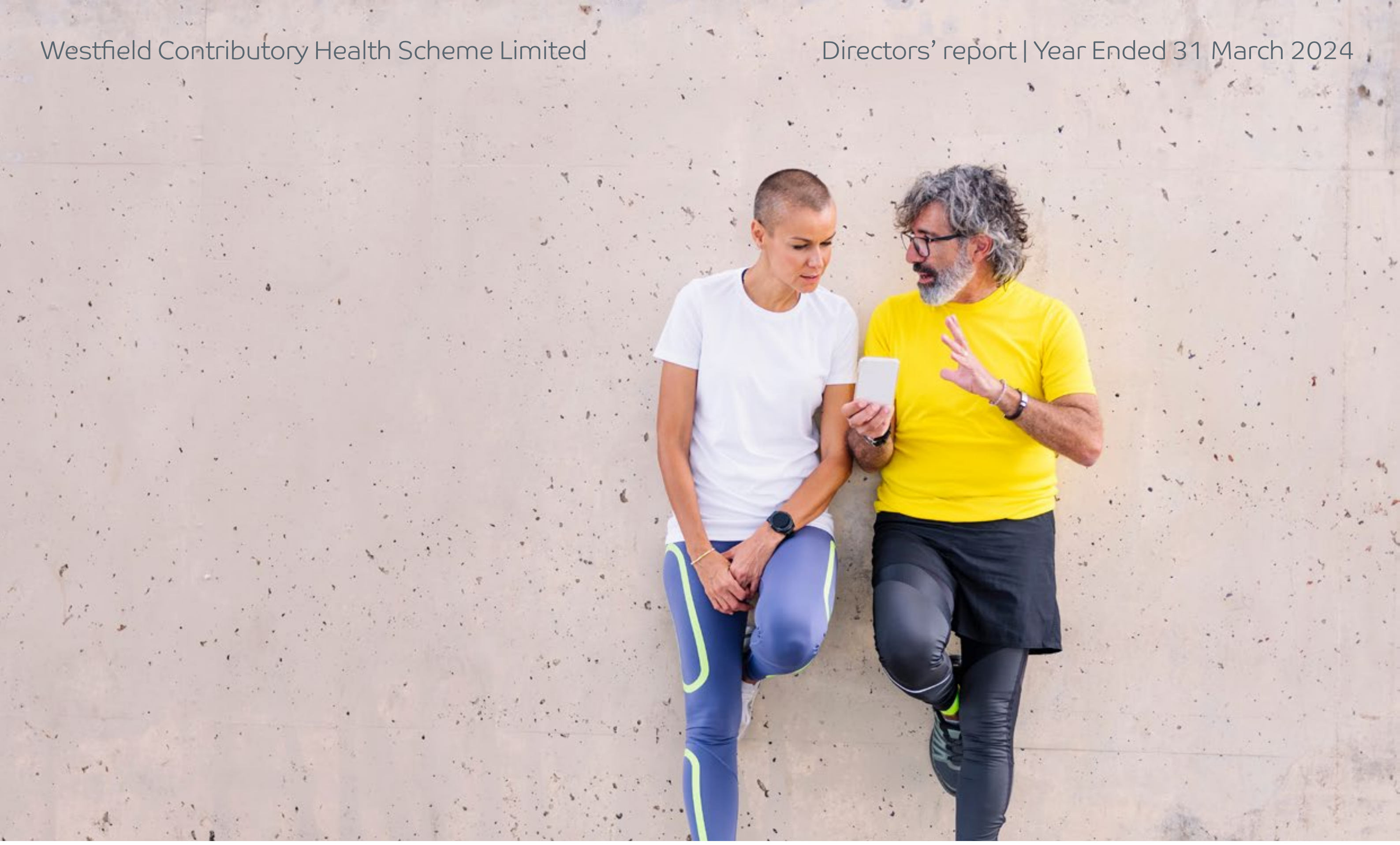
Westfield is a company limited by guarantee, without share capital. The Company's constitution forbids members of the Company from benefitting financially from their membership. There will therefore be no distribution to members.

Financial and risk management policies and objectives

Risk management is addressed in the strategic report.

Exposure to insurance contract, credit and liquidity risks

Exposure to these risks is included in the notes to the accounts.



Expected future developments

Expected future developments are addressed in the strategic report.

Political and charitable donations

Westfield makes no political donations. Gift Aid payments totalling £361k (2023: £448k) have been paid during the year to a number of charities. All Gift Aid payments are made via the Giving Back Committee, with donations made to over 80 charitable causes. The committee allows colleagues to have a say in how our giving back budget is deployed, bringing them closer to the people who benefit from our charitable donations. Donations from the committee this year included £49.5k to The Sheffield Childrens Hospital and £25k to the Baton of Hope.

In addition to this, Westfield One aims to create clear links between our work and the healthy difference it makes across four key pillars: people, social equality, the environment and the community. Our three-year partnership with Dame Kelly Holmes Trust continued into its third year, seeing world-class athletes being paired with young people who may lack confidence or have other issues, so the sportsmen or women can help the students develop their skills and confidence.

On behalf of the Board, I'd like to extend a personal thank you to all colleagues who have engaged with these ambitious new giving back initiatives — your commitment to making a difference embodies our mission of supporting healthier, happier people and communities.

Streamlined Energy and Carbon Reporting (SECR)

The below table shows the energy usage and greenhouse gas emissions (GHG) for the year to 31 March 2024 with figures to 31 March 2023 included as a comparative.

An intensity metric is also provided showing the GHG emissions per square foot to allow easier comparisons between annual results. The data is for Westfield Contributory Health Scheme Limited only as the subsidiaries are not in scope of the reporting requirement.

		2024	2023
Energy Usage	MWh	646	656
Green House Gas (GHG) Emissions	tCO2e	170	156
Intensity Metric: GHG Emissions	tCO2e /sq ft	0.0005	0.0006

The usage has been calculated from the following sources:

- Combustion in owned or controlled boilers and vehicles
- Purchased electricity and district heat
- Business travel in vehicles where employees are responsible for purchasing the fuel

The methodology used to calculate emissions followed the guidance from the revised edition of the GHG Protocol Corporate Accounting and the Reporting Standard and the UK Government Guidance on SECR.

Westfield Health have a climate change risk plan and consider the impact of climate change on their business as part of the annual ORSA process. Climate change and associated transitions are expected to have a material impact on financial markets. The Investment Committee is working with asset managers to understand the extent of our exposure to climate change risks and ensure that environmental, social and governance (ESG) matters are appropriately considered in their investment decisions. The diversification of the investment portfolio ensures that there is no concentration of investment by sector or asset class. Amongst other things this reduces the risk of losses being incurred due to the impact of climate change on certain investments.

Westfield Health are in the process of finalising an ESG Strategy, which will link the aims of the business with UN Sustainability Development Goals and will have an ultimate aim of the business being net zero. Commitments already made by Westfield Health to reduce their environmental impact include:

- Installation and continued use of solar panels
- Utilisation of the Sheffield District Energy Network, a low-carbon energy source
- Waste separation and recycling
- Reduction in paper usage and waste through utilisation of electronic documents
- The launch of an electric vehicle scheme for staff
- Consolidation of space used at Westfield House to minimise wastage

Provision of information to the Auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- So far as that director is aware, there is no relevant audit information of which the Group's auditor is unaware.
- The director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Group's auditor in connection with preparing its report and to establish that the Group's auditor is aware of that information.

Concluding remarks

In the past year, we've set out our ambitions and have already made significant steps towards achieving them. To all our colleagues, customers and strategic partners: thank you again for helping us to make a difference to communities far and wide.

I'm incredibly proud of our achievements in recent years, including record new business sales over three consecutive years and a consistent increase in policyholder numbers. We now manage some of the largest and most pioneering corporate health and fitness contracts in the world. The success we have achieved has taken us to new territories and our colleagues have worked incredibly hard to position us for future success.

As always, it's important that we collectively continue to develop, improve and invest in our culture. We've made strides in our DEI work, and I'm proud of the reduction we've achieved in our gender pay gap. But there's more to be done, and this work will continue long into the future as we aim to promote inclusivity in everything we do.

Our leadership development programme will help to support our workforce, grow our teams' capabilities and shape our workplace culture. Research and innovation will also play a role in this area, as we continue to assess the best ways for our people to work, taking their feedback on board and carrying out new research into the wellbeing of under-represented groups at work.

Over the past year, we've made great progress in our IT infrastructure, and the completion of this project will be a major factor in our future plans, allowing us to tailor our services to support our customers' changing priorities.

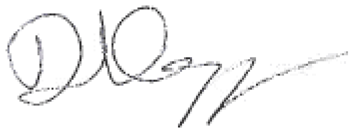
As a socially responsible and purpose-driven organisation, we must collaborate to achieve the greatest impact — whether that's in terms of developing new technology, conducting research or working in tandem with the public and private sectors.

Our Westfield One initiative is not just what we do — it's who we are. Giving back is what defines us, and we're committed to our mission of being a catalyst for positive change. In the coming year, we'll invest in research to measure the social impact of our giving back and charitable partnerships to ensure our strategy has maximum impact.

We have an embedded belief at Westfield Health that as we have no shareholders, this means that the more successful we are, the more we can make a healthy difference to the lives of our colleagues, customers and communities. Our approach is clear — when we deliver success, we are committed to improving our financial resilience, investing in our company's future, and in turn making a bigger impact through our Westfield One initiative.

While the cost of doing business has continued to increase, we enter the new financial year with real momentum, ready to tackle some of the biggest health and social issues that face the world today. We'll continue to stay true to our strategy and, while new challenges will always arise, we look forward to learning, growing and innovating as a Group.

Thank you.



D A Capper
Chief Executive
22 July 2024

Statement of Directors' Responsibilities

Statement of Directors' Responsibilities

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

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

In preparing these financial statements, the Directors are required to:

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

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

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent Auditor’s Report

Independent auditor's report to the members of Westfield Contributory Health Scheme Limited

Opinion on the financial statements

In our opinion:

- 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 March 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Westfield Contributory Health Scheme Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2024 which comprise the consolidated statement of comprehensive income, the consolidated and parent company balance sheets, the consolidated statement of movement in reserves, the parent company statement of movement in reserves, the consolidated cash flow statement and notes to the consolidated financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 and *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and Financial Reporting Standard 103 Insurance Contracts (United Kingdom Generally Accepted Accounting Practice) and as regards the Parent Company financial statements, as applied in accordance with the provisions 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. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors to audit the financial statements for the year ended 31 March 2019 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 6 years, covering the years ended 31 March 2019 to 31 March 2024. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

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 the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Review and challenge of the Group's current plans and budget forecasts with reference to member number projections and pricing strategy, challenging the growth assertions and checking that movements were in line with justifiable assumptions;
- Checked the basis of solvency projections for the next 12 months, considering whether an appropriate method for calculating solvency had been applied; and
- Challenge and discussion around the latest Own Risk and Solvency Assessment to check the Group has sufficient capital to meet its solvency requirements.

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 the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	97% (2023: 97%) of Group profit before tax 98% (2023: 98%) of Group revenue 98% (2023: 98%) of Group total assets		
Key audit matters		2024	2023
	Valuation of Westfield House (land & buildings and investment property)	✓	✓
	Valuation of insurance provisions	–	✓
	Valuation of Intangible Assets - Software	✓	–
Materiality	Group financial statements as a whole £1,108k (2023: £720k) based on 1.5% (2023:1%) of net assets		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group’s system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The significant components were identified as Westfield Contributory Health Scheme Limited, Westfield Health & Wellbeing Limited and Bolton & District Hospital Saturday Council which were subject to full scope audit. Non-significant components included the Westfield High Five B.V. (“High Five”) group of entities, and these were subject to specific audit procedures, including analytical review, on all material balances and classes of transactions.

All audit work was performed directly by the group engagement team with the assistance of appointed experts.

Key audit matter

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period and includes the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including that 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. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

We conducted a detailed assessment to identify key audit matters and significant risks, we note that the valuation of technical provisions being claims incurred but not reported, though a significant risk is not considered a key audit matter for the audit of the financial statement for the year ended 31 March 2024.

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation of Westfield House (land & buildings and investment property) *Refer to the accounting policy in notes 1.14 and 1.15, and further information given in notes 14 and 16.*	The valuation of Westfield House is inherently subjective and is reliant on judgements and estimates. The estimates and judgements are derived from prevailing and expected market conditions, and in particular include anticipated yield rates and achievable market rents. There is a presentational risk that the split between land & buildings and investment property is not applied appropriately resulting in improper classification and incorrect depreciation charge for the year. There is an inherent risk that the valuation of properties can be misstated due to the fact that estimates are necessarily involved, and as such, there is an element of subjectivity in any such valuation. We therefore consider this to be a key audit matter.	Our audit work in respect of the valuation of investment property included: We evaluated the independence, capability and objectivity of management's expert and reviewed valuation reports to check that the valuations were based on fair value. With the assistance of our internal independent valuations specialist, we checked and challenged the appropriateness of the assumptions and approach used by management based on our expertise and industry knowledge. We obtained management's assessment and identified the key assumptions as the yield rates and achievable market rents. We reviewed these with the assistance of our internal specialist to consider if they were in line with current market information and reasonable. We selected a sample of rental agreements and reviewed them to ensure that the rentals used to calculate the yields were based on signed agreements. We inspected the rental agreements and confirmed the consistency of the allocation of the value of the building between Land and Building and Investment Property. **Key Observations** Based on the procedures performed we consider the Westfield house valuation to be appropriate.

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation of Intangible Assets - Software *Refer to the accounting policy in note 1.18, note 1.16, and note 2; and further information given in note 13*	There is a risk that intangible assets - software are not valued appropriately due to the estimation and judgement involved in assessing the recoverable value as it is internally generated. During the year, the Group and the Parent Company recorded an impairment of £5,173k as disclosed in note 13. In determining the value in use of the intangible assets – Software, Management considers the future use of the new system, being developed as well as those expected once the development is completed. As such, there is an element of subjectivity. We therefore consider this to be a key audit matter.	Our audit work in respect of the valuation of intangibles assets - software included the following: As the software is internally generated, we reviewed the costs that have been capitalised to assess whether they include items permitted under the applicable financial reporting framework. We assessed the carrying value of the Intangible asset at 31 March 2024 for reasonableness based on our knowledge of the business and usage of similar software in the industry. We reviewed management's assessment of the future performance of the software for reasonableness which included assessing the future growth in revenue against our knowledge of the business. We also assessed management's expectation to use the software in generating revenue for all revenue streams. We corroborated the audit evidence obtained in our assessment against the audit evidence obtained from other aspect of the audit such as the going concern assessment. **Key Observations** Based on the procedures performed the valuation of the intangible assets is appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Materiality	1,108	720	1,062	718
Basis for determining materiality	1.5% of net assets	1% of net assets	1.5% of net assets	1% of net assets
Rationale for the benchmark applied	Net assets are considered to be the most appropriate measure for a mutual insurer, reflecting the ability of the Group and Company to pay claims and indemnify its members. This represents the metric of primary interest to users of the financial statements.			
Performance materiality	75% of Materiality			
Basis for determining performance materiality	Performance materiality has been set at 75% of financial statement materiality, reflecting the low inherent risk associated with the aggregation of misstatements within the financial statements.			

Component materiality

We set materiality for each significant component of the Group based on a percentage of between 1% and 100% (2023: 1% and 100%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. In the audit of each component, we further applied performance materiality levels of 75% (2023: 75%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £55k (2023: £36k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	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. In the light of the knowledge and understanding of the Group and 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.
Matters on which we are required to report by exception	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 are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the 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.

Extent to which the audit was 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- Inspecting Board minutes.

We considered the significant laws and regulations to be the applicable accounting standards, Companies Act 2006, Prudential Regulatory Authority ('PRA') and Financial Conduct Authority ('FCA'). The consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
    - o Detecting and responding to the risks of fraud; and
    - o Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;

- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships.

Based on our risk assessment, we considered the areas most susceptible to fraud to be valuation of Westfield House (refer to the Key Audit Matter section above), valuation of insurance provisions, revenue recognition, valuation of the defined benefit pension scheme and management override of controls.

Our procedures in respect of the above included:

- In response to the risk of management override of controls, assessed the appropriateness of journal entries which met specific risk criteria by agreeing them to appropriate supporting documentation;
- In response to the valuation of the defined benefit pension scheme we engaged external auditor's experts to review the judgments and assumptions underlying the valuation for reasonableness;
- In response to the valuation of Westfield House we engaged external auditor's experts to review the judgments and assumptions underlying the valuation for reasonableness;
- In response to revenue recognition we evaluated the design and implementation of control procedures governing the entry of transactions and considered the appropriateness of the accounting policies;
- Discussions with management; including consideration of known or suspected instances of non-compliance with laws, regulations and fraud, including follow up procedures where required; and
- Evaluated the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:
Geeta Joshi
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Geeta Joshi (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

23/07/2024

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

Consolidated Financial Statements

For the year ended 31 March 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
TECHNICAL ACCOUNT – GENERAL BUSINESS
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £'000	2023 as restated £'000
Net earned premiums	4	**71,886**	67,060
Total claims incurred	5	**(52,248)**	(46,299)
Third party administrative costs		**(1,789)**	(1,555)
		17,849	19,206
Net operating expenses	6	**(18,585)**	(17,837)
(Deficit)/Surplus on insurance operations		**(736)**	1,369
Revaluation			
Land and buildings		-	(598)
Impairment			
Intangible assets	13	**(5,201)**	(2,869)
Deficit on general business technical account		**(5,937)**	(2,098)

The notes on pages 77 to 110 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
NON-TECHNICAL ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024

	Notes		2024 £'000		2023 £'000
Deficit on general business technical account			**(5,937)**		(2,098)
Investment income	8	**1,703**		970	
Unrealised gain/(loss) on investments		**1,957**		(4,448)	
Share of profit of associates	17	**3**		9	
			3,663		(3,469)
Other income	9	**16,186**		14,950	
Other charges	9	**(17,099)**		(15,288)	
			(913)		(338)
Non technical intangible asset impairment	13		**-**		(265)
Investment property revaluation			**-**		(951)
Net finance income in respect of pensions	25		**31**		52
Deficit before charitable donations			**(3,156)**		(7,069)
Other charges - Gift Aid and other charitable donations			**(361)**		(448)
Deficit on ordinary activities before Tax			**(3,517)**		(7,517)
Tax (charge)/credit on ordinary activities	10		**(139)**		917
Deficit for the year on ordinary activities			**(3,656)**		(6,600)
Other Comprehensive Income					
Actuarial losses on pension scheme	25		**(993)**		(1,273)
Deficit for the year transferred to revenue reserve			**(4,649)**		(7,873)

The notes on pages 77 to 110 form an integral part of these financial statements.

BALANCE SHEET
AS AT 31 MARCH 2024

		GROUP		COMPANY	
		2024	2023	**2024**	2023
<u>ASSETS</u>					
	Notes	**£'000**	£'000	**£'000**	£'000
INTANGIBLE ASSETS					
Goodwill	12	**-**	-	**-**	-
Other intangible assets	13	**3,068**	2,873	**2,836**	2,658
		3,068	2,873	**2,836**	2,658
TANGIBLE ASSETS					
Land and buildings	14	**3,661**	6,058	**3,661**	6,058
Tangible assets	15	**1,820**	1,389	**591**	749
		5,481	7,447	**4,252**	6,807
INVESTMENTS					
Investment property	16	**6,273**	3,942	**6,273**	3,942
Fixed asset investments	17	**50**	47	**128**	128
Other financial investments	18	**55,886**	58,542	**55,886**	58,542
		62,209	62,531	**62,287**	62,612
PENSION SCHEME ASSET	25	**-**	709	**-**	709
DEBTORS	20	**6,521**	5,745	**2,377**	2,300
STOCK		**92**	113	**-**	-
CASH AND CASH EQUIVALENTS		**4,769**	7,136	**3,994**	6,347
TOTAL ASSETS		**82,140**	86,554	**75,746**	81,433

The notes on pages 77 to 110 form an integral part of these financial statements.

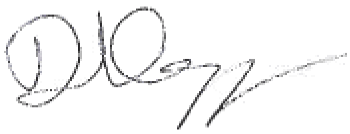
BALANCE SHEET (continued)
AS AT 31 MARCH 2024

		GROUP		COMPANY	
		2024	2023	**2024**	2023
<u>**RESERVES AND LIABILITIES**</u>	**Notes**	**£'000**	£'000	**£'000**	£'000
RESERVES					
Investment revaluation reserve		**-**	-	**-**	-
Revenue account		**67,389**	72,039	**65,482**	71,797
		67,389	72,039	**65,482**	71,797
PENSION SCHEME LIABILITY	25	**379**	-	**379**	-
LIABILITIES					
Technical provisions	21	**4,016**	3,451	**4,016**	3,451
Other provisions	22	**225**	111	**227**	110
Creditors	23	**10,131**	10,953	**5,642**	6,075
		14,372	14,515	**9,885**	9,636
TOTAL RESERVES AND LIABILITIES		**82,140**	86,554	**75,746**	81,433

The Company's deficit for the financial year to March 2024 is £6,315k (2023: deficit of £8,532k).

The notes on pages 77 to 110 form an integral part of these financial statements.

The consolidated financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 July 2024.



D A Capper – Chief Executive

J S Hogan – Chief Operating Officer & Deputy Chief Executive Officer

Company Number: 303523

MOVEMENT IN RESERVES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

Consolidated Statement of Movement in Reserves for the year ended 31 March 2024

	Investment Revaluation Reserve £'000	Revenue Account £'000	Total Reserves £'000
Year ended 31 March 2023:			
Balance at 1 April 2022	2,585	77,776	80,361
Deficit for the year on ordinary activities	-	(6,600)	(6,600)
Other comprehensive income		(1,273)	(1,273)
Effect of movements in foreign exchange	-	(449)	(449)
Transfer between reserves	(2,585)	2,585	-
Total comprehensive income for the year	(2,585)	(5,737)	(8,322)
Balance at 31 March 2023	**-**	**72,039**	**72,039**
Year ended 31 March 2024:			
Deficit for the year on ordinary activities	-	(3,656)	(3,656)
Other comprehensive income		(993)	(993)
Effect of movements in foreign exchange	-	(1)	(1)
Total comprehensive income for the year	-	(4,650)	(4,650)
Balance at 31 March 2024	**-**	**67,389**	**67,389**

Company Statement of Movement in Reserves for the year ended 31 March 2024

	Investment Revaluation Reserve £'000	Revenue Account £'000	Total Reserves £'000
Year ended 31 March 2023:			
Balance at 1 April 2022	2,585	77,744	80,329
Deficit for the year on ordinary activities	-	(7,259)	(7,259)
Other comprehensive income		(1,273)	(1,273)
Transfer between reserves	(2,585)	2,585	-
Total comprehensive income for the year	(2,585)	(5,947)	(8,532)
Balance at 31 March 2023	**-**	**71,797**	**71,797**
Year ended 31 March 2024:			
Deficit for the year on ordinary activities	-	(5,322)	(5,322)
Other comprehensive income		(993)	(993)
Total comprehensive income for the year	-	(6,315)	(6,315)
Balance at 31 March 2024	**-**	**65,482**	**65,482**

The notes on pages 77 to 110 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023 as restated
	£'000	£'000
Cash flows from operating activities		
Deficit for the year on ordinary activities	(3,656)	(6,600)
Adjustments for :		
Non-cash items:		
Depreciation, amortisation and impairment	7,522	6,907
Foreign exchange revaluation	27	(522)
Taxation recognised in the statement of comprehensive income	139	(917)
Profit on disposal of land and buildings	-	(49)
Loss/(profit) on disposal of tangible fixed assets	1	(5)
Net income in respect of pensions	(31)	(52)
Unrealised (gains)/losses on investment	(1,957)	4,448
Pension contribution less the cost of service	126	99
Activity recognised elsewhere on the cash flow statement:		
Realised loss on investments	283	305
Interest income	(747)	(248)
Dividend income	(987)	(895)
Non operating other income	-	(1,734)
Changes in working capital:		
Increase in debtors	(909)	(633)
Decrease/(increase) in stock	24	(81)
Increase in other provisions	566	291
(Decrease)/increase in creditors	(682)	1,761
Net cash from operating activities	(281)	2,075

The notes on pages 77 to 110 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023 as restated
	£'000	£'000
Net cash from operating activities	(281)	2,075
<u>Cash flows from investing activities</u>		
Proceeds on sale of tangible fixed assets	-	5
Proceeds on sale of land and buildings	-	381
Proceeds from sale of listed investments	8,962	22,168
Proceeds from sale of customer & partner agreements	216	1,734
Proceeds/(investments) of deposits with credit institutions	846	(6,886)
Taxation paid	-	(80)
Interest received	719	255
Dividends received	987	895
Acquisition of fixed assets	(1,007)	(152)
Acquisition of intangibles	(7,318)	(4,269)
Acquisition of listed & unlisted investments	(5,483)	(15,545)
Additions to investment property	(44)	-
Net cash from investing activities	(2,122)	(1,494)
<u>Cash flows from financing activities</u>		
Payment of finance lease liabilities	-	-
Net cash from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(2,403)	581
Cash and cash equivalents at 1 April 2023	7,136	6,579
Effect of exchange rate fluctuations on cash held	36	(24)
Cash and cash equivalents at 31 March 2024	4,769	7,136

The notes on pages 77 to 110 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and in the preceding year.

1.1 Basis of accounting and general information

Westfield Contributory Health Scheme Limited is a company limited by guarantee and incorporated and domiciled in the UK. The registered office of the Company is Westfield House, 60 Charter Row, Sheffield, S1 3FZ.

The parent company is included in the consolidated financial statements and meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. An exemption has been taken for the presentation of a Company cashflow statement.

These financial statements were prepared in accordance with the Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The financial statements comply with the requirements of FRS 103 Insurance Contracts. The presentation and functional currency of these financial statements is Pound Sterling, rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost basis as modified to state financial instruments recognised at fair value through the statement of comprehensive income; investment property is measured at fair value; assets in the defined benefit pension scheme are measured at fair value and reported net of the present value of the scheme's benefit obligations; and land and buildings are measured in accordance with the revaluation model. The financial statements are presented in accordance with the provisions of SI 2008 No 410 Schedule 3.

1.2 Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings. The results of subsidiary undertakings are included in the consolidated statement of comprehensive income from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. Further details of accounting for business combinations are provided in note 1.17.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

1.3 Going concern

The financial statements are prepared on a going concern basis. In considering the going concern basis, the directors have reviewed the Group's future cash requirements, earnings projections and capital projections for the period up to 31 July 2025. The directors believe these forecasts have been prepared on a prudent basis. The directors have concluded that the Group will be able to operate without requiring any external funding and therefore believe it is appropriate to prepare the financial statements of the Group on a going concern basis. This is supported by the Group's liquidity position at the year end.

1. ACCOUNTING POLICIES (continued)

1.4 Foreign currency

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

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in the statement of comprehensive income.

1.5 Premiums earned

Gross premiums earned are recognised on a receivable basis over the life that the policy is in force. Where a proportion of premiums written in the current year relate to cover provided in the following year it is carried forward as a provision for unearned premiums.

Net earned premiums are stated after adjusting for the movement in the unearned premium provision. Net earned premium includes income due for benefits provided by third parties but excludes Insurance Premium Tax.

1.6 Claims incurred

Claims incurred consist of claims and claims handling costs paid during the year, together with the movement in the provision for both reported and not reported claims incurred and their handling costs. An estimate is made for the cost of claims outstanding at the balance sheet date. The provision is based on claims settled after the reporting date together with an estimate of claims incurred by the reporting date but not settled or notified, based on statistical methods.

1.7 Net operating expenses

VAT is only partially recoverable because of the Group's VAT status; net operating expenses include irrecoverable VAT. Acquisition costs comprise all costs connected with the processing of new contributor proposals including advertising and development costs.

1. ACCOUNTING POLICIES (continued)

1.8 Employee benefits

The Group maintains a defined benefit pension plan that is closed to future accrual as well as defined contribution pension plans for eligible employees. The Group also operated a long term employee benefit scheme through a profit sharing agreement in one of its subsidiaries.

Defined benefit pension plan
The operating and financing costs of the defined benefit plan are recognised separately in the surplus/deficit on ordinary activities, service costs are systematically spread over the service lives of employees and financing costs are recognised in the periods in which they arise. Variations from expected costs, arising from the experience of the plan or changes in actuarial assumptions, are recognised immediately in Other Comprehensive Income. The costs of individual events such as past service benefit enhancements, settlements and curtailments are recognised immediately in the surplus/deficit on ordinary activities. Assets in the defined benefit pension scheme are measured at fair value and reported net of the present value of the scheme's benefit obligations in the balance sheet. An updated valuation for accounting purposes is performed annually by a qualified actuary using the projected unit credit method with a full valuation for funding purposes conducted every three years by the defined benefit plan's appointed actuary. Changes in the actuarial value of the surplus/deficit are recognised in Other Comprehensive Income.

Defined contribution pension plans
Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.9 Other financial investments

The Company applies the provisions of FRS 102 Section 11 and 12 in full.

Financial Instruments are recognised as an asset when the Group becomes a party to the contractual provisions of the instrument. They are derecognised only where the contractual rights to the cash flows from the instrument expire or the instrument is sold or transferred and the sale or transfer qualifies for derecognition.

Fixed income securities
Fixed income securities are measured initially at fair value, which is the transaction price less attributable transaction costs. Subsequent to initial recognition investments are measured at fair value through profit or loss.

Investments in equity instruments
Investments in equity instruments are measured initially at fair value, which is the transaction price less attributable transaction costs. Subsequent to initial recognition investments are measured at fair value through profit or loss.

Deposits with credit institutions
Cash deposits are measured at fair value, which is the cash deposit value plus accrued interest, with changes recognised in the surplus/deficit on ordinary activities.

1. ACCOUNTING POLICIES (continued)

Cash and cash equivalents
Cash and cash equivalents comprise cash balances which are repayable on demand and are initially recognised at the transaction price. Interest income is recognised in the income statement of the year it falls due. (See Note 1.21 for additional information on the accounting policy on Cash and cash equivalents.)

Unlisted Investments
Unlisted Investments are bonds or shares held which are not tradable on quoted listed markets. They are measured at fair value through profit or loss. The fair value is currently deemed to be their cost, with changes recognised in the surplus/deficit on ordinary activities.

Realised gains or losses represent the difference between net sales proceeds and original purchase price.

Unrealised gains or losses represent the difference between the current value of investments at the balance sheet date and their purchase price. Movements in the unrealised investment gains/losses comprise the increase/decrease in the accounting period in the value of investments held at the reporting date; and the reversal of unrealised investment gains/losses recognised in earlier accounting periods in respect of investment disposals of the current period. Unrealised gains or losses in the period are transferred to the revaluation reserve to separate these movements from the revenue account.

1.10 Investment income

Dividend income is accounted for in the surplus/deficit on ordinary activities on the date the entity's right to receive payment is established, excluding the attributable tax credit.

Interest receivable is accounted for on an accruals basis.

1.11 Government grants

Government grants are recognised under the performance model, where grant revenue is recognised in income when it is received or receivable and any performance-related conditions have been met.

1.12 Taxation

Tax on the surplus or deficit for the year comprises current and deferred tax. Tax is recognised in the surplus/deficit on ordinary activities except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

1.13 Deferred tax

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in associates to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

1. ACCOUNTING POLICIES (continued)

Deferred tax is provided for the additional tax that will be paid or avoided on a difference between the amount at which an asset (other than goodwill) or liability is recognised in business combinations and the corresponding amount that can be deducted for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.14 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost at initial recognition. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure such as legal and brokerage fees, property transfer taxes and other transaction costs. Subsequently investment properties are held at fair value with any gains or losses arising from changes in the fair value being recognised in the surplus/deficit on ordinary activities in the period that they arise. No depreciation is provided in respect of investment properties. A full valuation is obtained from a qualified valuer for each property every three years, to ensure the internal valuation for fair value remains appropriate.

1.15 Land and buildings, tangible assets and depreciation

The Group measures an item of property, plant and equipment at initial recognition at its cost. The cost comprises the purchase price including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the costs of site preparation, initial delivery, installation and assembly, and testing and functionality. The related expenses of incidental operations during construction or development of an item of property, plant and equipment are recognised in the surplus/deficit on ordinary activities if those operations are not necessary to bring the item to its intended location and operating condition.

Subsequently a full valuation is obtained from a qualified valuer for each property every three years, with an interim valuation in any year where it is likely that there has been a material change in value. Changes in valuation are recognised in other comprehensive income and accumulated in the property revaluation reserve when they are accumulated gains or when losses reverse previously recognised gains. When there are accumulated losses or a gain reverses losses previously recognised in profit or loss, the excess is recognised in profit or loss.

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Tangible fixed assets are depreciated by equal annual instalments as follows:

Vehicles	-	over four years
Fixtures and equipment	-	over five years
Computer equipment	-	over three years
Computer infrastructure	-	over five years
Internal office alterations and refurbishment	-	over ten years

Assets in the course of construction are not depreciated.

1. ACCOUNTING POLICIES (continued)

1.16 Impairment of non-financial assets

All individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

1.17 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- the estimated amount of contingent consideration; plus
- the fair value of equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

The accounting policies in relation to the acquired assets and liabilities are harmonised with those of the Group.

1.18 Intangible assets and amortisation

Software Assets
An intangible asset is an identifiable non-monetary asset without physical substance. Software assets are classified as intangible assets and are stated at cost less accumulated amortisation and impairment losses. Expenditure on software development activities is capitalised if the following conditions are met: the product or process is technically and commercially feasible; the Group intends to, and has the technical ability and sufficient resources to, complete development; future economic benefits are probable; and the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes.

Intangible assets are measured initially at cost, which comprises its purchase price or development cost plus any directly attributable cost to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include the costs of employee benefits and amortisation of licenses, which are used to generate the intangible asset. Intangible assets are assessed for impairment when there is an indication the intangible asset may be impaired with impairment losses recognised through the surplus/deficit on ordinary activities in the period in which the impairment arises.

The Group allocates the amortisation charge of an intangible asset to the surplus/deficit on ordinary activities on a straight line basis over its useful life and assumes that the residual value is zero. Amortisation begins when the intangible asset is available for use over the following periods:

General Software	-	over three years
Specialist Software	-	over five years

Intangible assets in the course of construction are not amortised but may be impaired where an indication of impairment exists.

1. ACCOUNTING POLICIES (continued)

Goodwill and Intangible Assets on Acquisition
Goodwill arising on the acquisition of undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and amortised through the surplus/deficit on ordinary activities on a straight-line basis over its expected useful economic life, which the directors consider to be five years. The gain or loss on subsequent disposal of a subsidiary will take account of any attributable, unamortised goodwill, which is derecognised on the disposal of the associated business.

Other intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles through the surplus/deficit on ordinary activities on a straight-line basis over their expected useful economic life.

Goodwill and other intangible assets are assessed at each annual reporting date for indicators of impairment in accordance with Section 27 Impairment of assets. A full impairment review is performed when indicators of impairment are identified.

1.19 Investments in Group companies and participating interests

An entity is recognised as an associate when the Company has significant influence over the financial and operating policy decisions of the entity, but is not in control or joint control over those policies. Where the Company's investment entitles it to 20 per cent or more of the voting power of the entity, it is presumed that the Company has significant influence and such investments are accounted for as Investments in Associates.

The Company measures its investments in associates at cost less any accumulated impairment losses. Dividends and other distributions from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

The Group accounts for associates using the equity method in the consolidated financial statements.

Investments in subsidiaries
Investments in subsidiaries are measured at cost less impairment in the accounts of the holding company.

Investments in associates
Investments in associates are measured at cost less impairment in the accounts of the holding company. In the consolidated financial statements, investments in associates are measured using the equity method.

1.20 Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, conversion and others incurred in bringing the stock to its present location and condition.

1.21 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts.

1.22 Trading income

Trading income represents the sale of products and services (net of VAT) that promote and improve the health and wellbeing of individuals, as well as leasing of gym equipment undertaken by subsidiaries of the Group. Turnover is recognised when the services have been provided and the amount of turnover can be measured reliably. Trading income is included within "Other Income" in the non-technical account of the statement of comprehensive income.

RESTATEMENTS

In the course of preparing the financial statements for the current period, presentational amendments were identified as necessary on the Consolidated Cash Flow Statement. The accounts have been restated to align with FRS102 reporting requirements. There was no impact on the net cash position for both years, it was merely an update in presentation of the line items in the Consolidated Cash Flow Statement.

The following items have been changed:

Item 1 – Cashflows from operating activities, this now commences with the deficit for the year on ordinary activities (2024: £3,656k, 2023: £6,600k), prior to considering items related to other comprehensive income.

Item 2 – The line 'Actuarial losses from Pension scheme' (2024: £993k, 2023: £1,273k) has been removed in the reconciliation of operating activities, as other comprehensive income is no longer required.

Item 3 – Investment income (2024: £1,703k, 2023: £970k) includes various items, that either require separate disclosure within the Consolidated Cash Flow Statement or are not required to be disclosed. Subsequently the investment income line item has been disaggregated and removed, with some elements of investment income now reported separately.

Item 4 – In line with item 3, rental income, rental expenses and investment management fees have now been removed from the operating activities and investing activities sections of the Consolidated Cash Flow Statement, as these are not required to be reported separately.

Item 5 – In line with item 3, realised profit or loss on disposal of investments have been disaggregated from investment income and presented separately on the face of the Consolidated Cash Flow Statement. Interest and dividend income from investments are also now presented separately on the face of the Consolidated Cash Flow Statement. The items that have been disaggregated and shown separately within Operating activities are listed below:

Realised loss on investments
(2024: £283k, 2023: £305k)

Interest income
(2024: -£747k, 2023: -£248k)

Dividend income
(2024: -£987k, 2023: -£895k)

Item 6 - Where the items above have impacted upon figures within the changes in working capital, the corresponding adjustments have also been made.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. These estimates and associated assumptions have been based on historical experience and other relevant factors. Due to the nature of such items the actual results may differ from those estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised by the Group in the period in which the estimate is revised if the revision affects only that period or in the period of the revisions and future periods, where the revision affects both current and future periods. The areas where the Group believe such assumptions, estimates and judgements may give rise to a material adjustment is in the calculation of the Claims Incurred provision, the valuation of the defined benefit pension scheme and the carrying value of intangible assets. The value of the claims incurred provision at 31 March 2024 was £3,653k (2023: £3,071k) (note 21). The net book value of Westfield House at 31 March 2024 was £9,934k (2023: £10,000k) (notes 14 & 16).

The net liability recognised in the balance sheet at 31 March 2024 in respect of the Group's defined benefit pension scheme obligations was £379k (2023: net asset £709k). Management are required to make a number of assumptions for the accounting valuation of the Group's defined benefit pension scheme's liabilities, as disclosed in note 25. The key areas of estimation uncertainty are the discount rate applied to future cash flows and the expected lifetime of the scheme's members. The discount rate is required to be set with reference to market yields at the end of the reporting period on high quality corporate bonds in the currency and with a term consistent with the defined benefit pension scheme's obligations. The average duration of the scheme's obligations is approximately 20 years. The market for bonds with a similar duration is illiquid and, as a result, significant management judgement is required to determine an appropriate yield curve on which to base the discount rate. The cost of the benefits payable by the scheme will also depend upon the life expectancy of the members. The Group considers latest market practice and actual experience in determining the appropriate assumptions for both current mortality expectations and the rate of future mortality improvement. It is uncertain whether this rate of improvement will be sustained going forward and, as a result, actual experience may differ from current expectations. All assumptions used in the valuation are determined by management following guidance provided by an external actuary who perform the valuation of the defined benefit pension scheme's liabilities.

A number of estimation and assumptions have been made when assessing the appropriate carrying value of intangible assets. Management have considered the value of premiums collected and claims paid currently via the system being developed as well as those expected once the development is completed along with the expected cost and time needed to complete the development. The closing carrying value in the Company accounts of £2.8m (2023: £2.7m) is deemed to be appropriate given these considerations.

3. RISKS ARISING FROM INSURANCE CONTRACTS

The Board monitors the combined ratio of the insurance company as a whole. A forecast or actual deviation of more than 4% from budget is highlighted to the Board as a breach of its risk appetite.

The Board has also defined a risk appetite for insurance contract related risks which is monitored and implemented by operational management. Analysis is undertaken when insurance performance is significantly different to budget to understand the root cause of these variances and minimise the chances of such variances recurring.

Risks arising from insurance contracts can be sub-divided into 3 elements as follows:

- Premium risk – risk that insurance premiums received do not cover claims paid.
- Reserve risk – risk that technical provisions for incidents incurred but not reported are inadequate.
- Catastrophe risk – risk of a mass accident or pandemic.

3. RISKS ARISING FROM INSURANCE CONTRACTS (continued)

Premium risk:

Health Cash Plan: the nature of the Company's core Health Cash Plan (HCP) product, covering a significant proportion of premium income where claims are low in value and high in volume, tends to produce only small fluctuations in claims relative to the pricing of premiums. The operational 'Underwriting Steering Group' (USG) is responsible for monitoring product group performance and cash-plan insurance risk, the USG is overseen by the Risk Committee.

Deficiencies in product pricing of HCPs could lead to adverse selection resulting in a large volume of loss-making insurance contracts being written. Product group performance is under constant review with active monitoring of all products for indications of such adverse selection; when identified, premiums are changed or sales practices amended to mitigate risk.

The Private Health Insurance (PHI) product accounts for a small proportion of premium income. The PHI claims profile is more volatile than HCP claims as claim values are higher and incident rates are lower. PHI covers specified surgical procedures, with exposure limited to finite amounts, removing the exposure to high-cost novel treatments, chronic conditions and pharmaceuticals.

Reserve risk:

HCP: The Company's technical provisions for HCP business are small relative to premiums, which reflects the nature of this business. The Company has a 26-week period for a claim to be made from the incident date. This mitigates the risk that there is a significant volume of incidents outstanding which have not been claimed, thus reducing the value of the subsequent technical provision.

Included within some HCP is Personal Accident Insurance (PAI) which is underwritten by Westfield. Claims on PAI are lower in volume and higher in value than the rest of the HCP product and the 26-week period for making a claim does not apply. Reserves are maintained in line with historical observed experience and monitored to ensure they have been sufficient to cover claims that are raised.

PHI: The reserve risk for PHI is small, reflecting the low technical provisions associated with this product group. The nature of the product is such that PHI claims must be reported to the Company before treatment has commenced, and claims are resolved within a short timescale.

Catastrophe risk:

A catastrophic event may directly lead to increased incidents requiring hospitalisation or therapy treatments as well as resulting in accidental death or permanent disabilities, areas that are covered within the Company's HCPs. Given the geographical spread of the Company's portfolio the impact of a catastrophic event is assessed not to be material for cash plans.

Typically, all claims on insurance contracts are resolved within one year.

4. NET EARNED PREMIUMS

The Group engages in health insurance. The majority of the health insurance business is related to the United Kingdom, with a small amount of insurance business in Jersey.

	2024	2023
	£'000	£'000
Gross premiums written	**71,888**	67,059
Change in the gross provision for unearned premiums	**16**	9
Rebated premiums	**(18)**	(8)
Net premiums earned	**71,886**	67,060

In the course of preparing the financial statements for the current period, an amendment was identified as needed on the presentation of the third-party administrative (TPA) costs and rebated premiums. TPA costs (2024: £1,789k, 2023: £1,555k) were previously included within net earned premiums and rebated premiums (2024: -£18k, 2023: -£8k) were included on a separate line above total claims incurred. The accounts have been restated to align with Schedule 3 requirements, with rebated premiums now included within net earned premiums and TPA costs included below total claims incurred. There was no impact on profit or loss or the balance sheet for both years, it was merely an update in presentation of the line items in the comprehensive income statement.

5. CLAIMS INCURRED

	2024	2023
	£'000	£'000
Claims paid	**51,227**	45,551
Claims handling expenses paid	**439**	448
Change in the provision for claims reported and claims incurred but not reported	**581**	296
Increase in the provision for claims handling expenses	**1**	4
Cost of providing benefits - net claims incurred	**52,248**	46,299

6. NET OPERATING EXPENSES

	2024 £'000	2023 £'000
Insurance companies		
Administration expenses	11,880	11,395
Acquisition costs	6,705	6,442
Cost of providing benefits	18,585	17,837

Net operating expenses include the following:

	2024 £'000	2023 £'000
Depreciation, amortisation and provision for diminution in value	7,103	6,907
Loss/(gain) on disposal of tangible fixed assets	-	(5)
Gain on disposal of land and buildings	-	(49)
Commission	2,279	1,916
Fees payable to the company's auditor for the audit of the company's annual accounts	82	84
Foreign exchange revaluation	21	(537)
Fees payable to the company's auditor for other services:		
Audit of the accounts of subsidiaries	9	32

7. STAFF PARTICULARS

	2024	2023
	£'000	£'000
Staff costs comprised:		
Wages and salaries	18,243	16,097
Social security costs	2,388	2,151
Pension costs	856	765
	21,487	19,013

The average headcount number of staff employed during the year was:

	Number	Number
Executive directors of the Company	3	3
Non-executive directors of the Company	6	8
Support staff	484	461
	493	472

The average FTE number of staff employed during the year was:

	Number	Number
Executive directors of the Company	3	3
Non-executive directors of the Company	1	1
Support staff	404	364
	408	368

The aggregate amount of all directors' emoluments comprised:	£'000	£'000
Salaries and other emoluments	1,497	1,213
Pension costs	47	44
	1,544	1,257

The emoluments and pension benefits of the highest paid director were as follows:

	£'000	£'000
Salary, other emoluments and pension costs	519	390

8. INVESTMENT INCOME

	2024 £'000	2023 £'000
Rental income from investment property	726	504
Rental expenses	(412)	(299)
Income from other investments:		
Interest - fixed income securities	121	127
Interest - cash and deposits with credit institutions	626	121
Dividends - investment in equity instruments	987	895
Investment management fees	(62)	(73)
	1,986	1,275
Profits/(Losses) on realisation of investments:		
Fixed income securities	(4)	(2,117)
Equity instruments	(182)	1,810
Alternative investments	(97)	2
	1,703	970

9. OTHER INCOME AND OTHER CHARGES

	2024	2023
Other Income	£'000	£'000
Commissions received	1	1
Government grant	-	(153)
Sale of customer and partner agreements of High Five Fitness Network BV	-	1,734
Trading income	16,185	13,368
	16,186	14,950

In the year to March 2023, following the finalisation of some of the Dutch COVID-19 support schemes, an element of the government grants previously received or provided for in the accounts for the High Five group of companies needed to be repaid or released.

The customer book of High Five Fitness Network B.V. was sold on 22 February 2023. The company continued to operate as usual until 31 May 2023 to facilitate a transition of the business to the acquirer. The company was liquidated in November 2023.

Other Charges	£'000	£'000
Administration expenses	5,608	6,189
Cost of sales	11,491	9,099
	17,099	15,288

Administration expenses include the following:	2024 £'000	2023 £'000
Fees payable to the company's auditor for other services:		
Audit of the accounts of subsidiaries	23	-

10. TAX ON SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES

	2024 £'000	2023 £'000
Current tax expense		
Foreign tax suffered	(21)	-
UK corporation tax charge on (deficit)/surplus for the year	(3)	-
Adjustments for prior years	-	29
	(24)	29
Deferred tax		
Origination and reversal of timing differences	(418)	676
Adjustment in respect of previous periods	303	(1)
Effect of revaluation	-	213
	(139)	917

The tax charge for the year is different from the standard rate of corporation tax. The differences are explained below:

	2024	2023
Deficit before tax	(3,517)	(7,517)
Income tax using the domestic corporation tax rate 25% (2023: 19%)	879	1,428
Effects of:		
Non-deductible expenses	(7)	(203)
Other income not subject to tax	633	1,336
Result of mutual trade not subject to tax	(1,817)	(1,760)
Impact on deferred tax of change in tax rate	-	213
Adjustments for previous periods	303	13
Chargeable losses	(222)	-
Movement in unrecognised deferred tax	180	(110)
Effects of overseas tax rates	(88)	-
	(139)	917

The March 2021 Budget announced an increase to the main rate of corporation tax from 19% to 25% from April 2023. This rate was substantively enacted on 24 May 2021 and, as the entity's year end date falls after the date of this enactment, the UK corporation tax rate for the year ended 31 March 2024 has been taken as 25%.

11. DEFICIT FOR THE FINANCIAL YEAR

As permitted by section 408 Companies Act 2006, the parent company's statement of comprehensive income has not been included in these financial statements. The deficit for the financial year is as follows:

	2024 £'000	2023 £'000
Parent company's deficit for the financial year	**(6,315)**	(8,532)

12. GOODWILL

Group

For the year ended 31 March 2024	Total
Cost	**£'000**
at 1 April 2023	4,189
Effect of movements in foreign exchange	(130)
at 31 March 2024	**4,059**
Amortisation	
at 1 April 2023	4,189
Effect of movements in foreign exchange	(130)
at 31 March 2024	**4,059**
Net Book Value at 31 March 2024	-
Net Book Value at 31 March 2023	-

13. OTHER INTANGIBLE ASSETS

Group

For the year ended 31 March 2024

	Software	Asset Under Construction*	Total
Cost	**£'000**	**£'000**	**£'000**
at 1 April 2023	14,051	352	14,403
Disposals	(305)	-	(305)
Additions	7,014	38	7,052
Transfers	352	(352)	-
Effect of movements in foreign exchange	(6)	-	(6)
at 31 March 2024	**21,106**	**38**	**21,144**
Amortisation			
at 1 April 2023	11,342	188	11,530
Write back on disposals	(305)	-	(305)
Charge for the year	1,656	-	1,656
Transfers	188	(188)	-
Impairment^	5,173	28	5,201
Effect of movements in foreign exchange	(6)	-	(6)
at 31 March 2024	**18,048**	**28**	**18,076**
Net Book Value at 31 March 2024	**3,058**	**10**	**3,068**
Net Book Value at 31 March 2023	2,709	164	2,873

13. OTHER INTANGIBLE ASSETS (continued)

Company

For the year ended 31 March 2024

	Software	Asset Under Construction*	Total
Cost	**£'000**	**£'000**	**£'000**
at 1 April 2023	12,552	319	12,871
Additions	6,897	38	6,935
Transfers	319	(319)	-
at 31 March 2024	**19,768**	**38**	**19,806**
Amortisation			
at 1 April 2023	10,044	169	10,213
Charge for the year	1,556	-	1,556
Transfers	169	(169)	-
Impairment^	5,173	28	5,201
at 31 March 2024	**16,942**	**28**	**16,970**
Net Book Value at 31 March 2024	**2,826**	**10**	**2,836**
Net Book Value at 31 March 2023	2,508	150	2,658

^Following a review of the carrying value of the new IT system being developed it has been deemed prudent to impair the valuation of the asset by £5,201k for both the Group and the Company to ensure the carrying value was appropriate for the value in use of the asset. The cost incurred in the year has enabled more of the insurance business to be transferred to the new system, but the overall value in use of the asset for the Company remains similar to the prior year, resulting in an impairment for this year.

*The asset under construction in both the Group and Company, relates to work on an additional piece of software to link with the new IT system, that is yet out to be rolled out to the business. Transfers from asset under construction to software that have occurred during the year, relate to modules that have been rolled out to the business for part of the new IT system.

14. LAND AND BUILDINGS

Group & Company

	Freehold
For the year ended 31 March 2024	**£'000**
Cost	
at 1 April 2023	6,058
Transfers	(2,287)
Revaluation	(20)
at 31 March 2024	**3,751**
Depreciation	
at 1 April 2023	-
Annual charge	90
at 31 March 2024	**90**
Net Book Value at 31 March 2024	**3,661**
Net Book Value at 31 March 2023	6,058

Westfield House, the land and building of the Company, was professionally valued by Lambert Smith Hampton, Chartered Surveyors in March 2023.

Land and Buildings are fair valued with reference to comparable transactional market evidence, based on estimates of future rentals for comparable properties in nearby locations.

Further disclosures:

a) Within freehold buildings is just one property: Westfield House.

b) The market value of Westfield House was valued at £10,000k (March 2023), split between land and buildings £6,058k and investment property £3,942k (see Note 16). The directors have reviewed the current net book value and they consider the valuation as at March 2023 to be appropriate to use in this year's financial statements.

c) Land valued at £2,000k, which is not depreciated, is included in the £4,425k net book valuation of land and buildings.

d) The £2,287k transfer during the year from freehold land and buildings is due to a change in the sq/m usage of rental floors at Westfield House, with an increase in the rental floor space made available and used by tenants at Westfield House.

a) The historical cost of freehold land and buildings was £6,492k (2023: £6,942k).

15. TANGIBLE ASSETS

Group

For the year ended 31 March 2024	Fixtures and equipment	Computer equipment	Motor vehicles	Leasehold improvements	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
at 1 April 2023	3,211	3,427	26	-	6,664
Additions	918	97	-	7	1,022
Disposals	(4)	(11)	-	-	(15)
Effect of movements in foreign exchange	(29)	(2)	-	-	(31)
at 31 March 2024	**4,096**	**3,511**	**26**	**7**	**7,640**
Depreciation					
at 1 April 2023	1,994	3,255	26	-	5,275
Charge for the year	458	100	-	2	560
Write back on disposals	(1)	(2)	.	-	(3)
Effect of movements in foreign exchange	(11)	(1)	-	-	(12)
at 31 March 2024	**2,440**	**3,352**	**26**	**2**	**5,820**
Net Book Value at 31 March 2024	**1,656**	**159**	**-**	**5**	**1,820**
Net Book Value at 31 March 2023	1,217	172	-	-	1,389

15. TANGIBLE ASSETS (continued)

Company

For the year ended 31 March 2024	Fixtures and equipment	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
at 1 April 2023	1,727	3,164	26	4,917
Additions	9	70	-	79
Disposals	-	(1)	-	(1)
at 31 March 2024	**1,736**	**3,233**	**26**	**4,995**
Depreciation				
at 1 April 2023	1,067	3,075	26	4,168
Charge for the year	175	62	-	237
Write back on disposals	-	(1)	-	(1)
at 31 March 2024	**1,242**	**3,136**	**26**	**4,404**
Net Book Value at 31 March 2024	**494**	**97**	**-**	**591**
Net Book Value at 31 March 2023	660	89	-	749

16. INVESTMENT PROPERTY

Group and Company

For the year ended 31 March 2024	Freehold £'000
Cost	
at 31 March 2023	3,942
Transfers	2,287
Additions	44
at 31 March 2024	**6,273**

Investment properties were professionally valued by Lambert Smith Hampton, Chartered Surveyors, in March 2023.

Investment properties are recorded at fair value with reference to comparable transactional market evidence, based on estimates of future rentals receivable for comparable properties in nearby locations.

Further disclosures:

a) The freehold property is Westfield House; the investment property element was valued at £3,942k in March 2023. The directors have reviewed the current net book value and they consider the valuation as at March 2023 to be appropriate to use in this year's financial statements.

b) The £2,287k transfer during the year from freehold land and buildings, is due to a change in the sq/m usage of rental floors at Westfield House, with an increase in the rental floor space made available and used by tenants at Westfield House.

17. FIXED ASSET INVESTMENTS

Group

For the year ended 31 March 2024	Interests in Associated Undertakings £'000
Cost	
at 1 April 2023	20
at 31 March 2024	**20**
Share of post-acquisition reserves	
at 1 April 2023	27
Retained profits less losses	3
at 31 March 2024	**30**
Net Book Value at 31 March 2024	**50**
Net Book Value at 31 March 2023	47

Company

For the year ended 31 March 2024	Shares in Group Undertakings £'000	Participating Interests £'000	Total £'000
Cost			
at 1 April 2023	9,808	20	9,828
at 31 March 2024	**9,808**	**20**	**9,828**
Provisions			
at 1 April 2023	(9,700)	-	(9,700)
at 31 March 2024	**(9,700)**	**-**	**(9,700)**
Net Book Value at 31 March 2024	**108**	**20**	**128**
Net Book Value at 31 March 2023	108	20	128

17. FIXED ASSET INVESTMENTS (continued)

The undertakings in which the Group's and Company's interest at the year-end is more than 20% are as follows:

Name	Share class	% Held	Principal activity
Westfield Health & Wellbeing Ltd	Ordinary	100	Provision of health and wellbeing products and services, fitness facility management and operating gyms
Westfield Employment Services Ltd	Ordinary	100	Provision of people for Group activities
Westfield Health Ltd	Ordinary	100	Investment holding company for the Group
Bolton & District Hospital Saturday Council	Ordinary	100	Administration of health cashplans
UK Healthcare Ltd	Ordinary	100	Wholly-owned, dormant company
BHCA Services Ltd	Ordinary	30.5	Premium collection services for health companies
Westfield High Five B.V.	Ordinary	100	Provision of the management function to High Five subsidiaries
High Five Health Promotion B.V.	Ordinary	100	Provision of health and well-being through fitness programs
Westfield Health Fitness & Sports Management LLC	Ordinary	100	Sports clubs and facilities management

In May 2023 the Group registered a new company Westfield Health Fitness & Sports Management LLC, whose principal activity was in sports club and facilities management.

In November 2023 High Five Fitness Network B.V was liquidated following the sale of their trading assets earlier in the year.

The above companies' registered offices are all Westfield House, 60 Charter Row, Sheffield, S1 3FZ except for:

- BHCA Services Ltd – Unit 8 Cherry Hall Road, North Kettering Business Park, Kettering, Northamptonshire, NN14 1UE.
- Westfield High Five B.V. and High Five Health Promotion B.V. – Postbus 9097, 1180MB Amstelveen, Netherlands.
- Westfield Health Fitness & Sports Management LLC – Office number 2F.51, Majid Sultan Building, Muteena, Dubai, UAE

The following subsidiary companies have taken the exemption in Section 479A of the Companies Act 2006 ("the Act") from the requirements in the Act for their individual accounts to be audited:

Subsidiary	Registered No.
Westfield Health Ltd	10034914
Westfield Employment Services Ltd	09870326

18. OTHER FINANCIAL INVESTMENTS

Group and Company	2024	2023
	£'000	£'000
At Fair Value		
Listed investments:		
Investment in equity instruments	35,461	37,427
Fixed income securities	4,550	4,234
Total listed investments	40,011	41,661
Deposits with credit institutions	11,630	12,475
Unlisted investments:		
Real estate funds	2,207	2,130
Alternative asset investments	1,700	2,256
Unlisted investments	338	20
Total unlisted investments	4,245	4,406
	55,886	58,542
The historical cost of investments was	54,549	60,065

FRS 102 fair value measurement establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- level 1 : Using the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;
- level 2 : Using inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly; and
- level 3 : Using inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Listed investments totalling £40,011k are stated at bid market price and are all based on Level 1 inputs.

Deposits with credit institutions, £11,630k, are all due within 6 months. The carrying value represents fair value under Level 1 inputs.

Unlisted investments consist of real estate funds totalling £2,207k, alternative assets totalling £1,700k, valued at the net asset valuation provided by the fund manager and small bond and shareholdings totalling £338k based on cost which is deemed an appropriate approximation of fair value. The valuation of unlisted investments use Level 3 inputs.

19. FINANCIAL RISK MANAGEMENT

Significant financial risks to which the Group is exposed in respect to its financial assets are described below:

Market risk

The Group is exposed to market risk (e.g. interest rate risk, foreign currency risk, equity price risk) in respect to its financial assets carried at fair value in the balance sheet. The listed investments, valued at £40,011k (2023: £41,661k), are traded on regulated financial markets, both in the UK and abroad. These assets are managed by independent third party fund managers on a discretionary basis, subject to certain mandated conditions determined by the Group. Movements in the regulated financial markets, interest rates and credit spreads can lead to volatility in the valuation of these assets. The Group does not directly purchase derivative protection for market risk exposure, derivatives are however used by investment managers in the funds held by the Group. Any market movements where the Group has exposure leads to proportional increases or decreases recorded in the statement of comprehensive income. A small proportion of the total portfolio is held in unlisted investments £4,245k, (2023: £4,406k) which are also exposed to market risk.

The assets are diversified between asset classes with a focus on reducing "correlation" – the extent to which all of the Group's assets respond in the same way to a market shock. The impact of a range of market shocks is regularly modelled and monitored. The Investment Policy, approved by the Board in 2023, has agreed benchmarks to monitor the balance between acceptable risk and return for the Group's financial assets.

Liquidity Risk

Deposits with credit institutions are managed internally and amounts are placed on short term deposits to ensure that sufficient funds are available at all times to pay liabilities as and when they fall due. These deposits are valued at £11,630k (2023: £12,475k).

The maturity profile as at 31 March of these deposits is:

	2024	2023
Mature within 1 month	£3,000k	£1,900k
Mature between 1 and 3 months	£7,630k	£6,575k
Mature between 4 and 6 months	£1,000k	£4,000k
Total	£11,630k	£12,475k

Additionally, the Group has cash and cash equivalents repayable on demand of £4,769k (2023: £7,136k) to ensure there is sufficient cash available to meet day to day expenses. To mitigate the liquidity risk the Group reviews its future cash requirements on a regular basis.

19. FINANCIAL RISK MANAGEMENT (continued)

Credit Risk

The Group's exposure to credit risk includes the carrying value of certain financial assets at 31 March, as outlined below:

Group

	2024	2023
	£'000	£'000
Deposits with credit institutions	**11,630**	12,475
Fixed income securities	**4,550**	4,234
Unlisted real estate funds	**2,207**	2,130
Other unlisted investments	**338**	21
Cash and cash equivalents	**4,769**	7,136
Included within Debtors:		
Contributors premiums due not received	**1,303**	1,079
	24,797	27,075

Company

	2024	2023
	£'000	£'000
Deposits with credit institutions	**11,630**	12,475
Fixed income securities	**4,550**	4,234
Unlisted real estate funds	**2,207**	2,130
Other unlisted investments	**338**	20
Cash and cash equivalents	**3,994**	6,346
Included within Debtors:		
Contributors premiums due not received	**1,303**	1,079
	24,022	26,284

The Group, by placing deposits with credit institutions (counterparties) and cash at bank is exposed to risks should those counterparties default on repayment of the deposits. To mitigate against such a default all counterparties are credit checked, with a minimum credit rating of A or equivalent deemed adequate. Additionally the Group has a £4m counterparty limit.

A proportion of the Group's insurance premiums are collected and paid over by the Group's individual policyholders' employer. This exposes the Group to an element of credit risk. However the majority of employers pay over payroll deductions made, within one month, on a regular basis. The use of payroll deductions by a "host company employer" would not be permitted where the Board believed there may be a significant credit risk.

None of the financial assets reported above are past due or determined to be impaired as at the end of the reporting period.

Capital

Capital includes the accumulated reserves of the Group. As an insurance company, the Company is subject to externally imposed capital requirements under Solvency II regulations. Capital is managed to ensure Solvency II requirements are met, with forecasts and sensitivity analysis performed to indicate expected or potential movements in capital compared to our requirements. Capital values are disclosed in the movement in reserves statement. During the period the Company complied with its capital requirements.

20. DEBTORS

Group	2024 £'000	2023 £'000
Contributors' premiums	1,303	1,079
Prepayments and accrued income	2,225	2,406
Other debtors	2,993	2,260
	6,521	5,745

Company	2024 £'000	2023 £'000
Contributors' premiums	1,303	1,079
Prepayments and accrued income	1,074	1,221
	2,377	2,300

21. TECHNICAL PROVISIONS (Insurance Contract Liabilities)

Group and Company		2024		2023
	£'000	£'000	£'000	£'000
Provision for unearned premiums		363		380
Gross provisions for claims:				
Reported	802		707	
Incurred but not reported (IBNR)	2,820		2,334	
Claims settlement expenses	31		30	
		3,653		3,071
Gross technical provisions		4,016		3,451

Group and Company	Gross Unearned Premium £'000	Gross Provisions for Claims £'000	Total £'000
at 1 April 2023	380	3,071	3,451
Movement in provision	(17)	582	565
at 31 March 2024	363	3,653	4,016

From historical experience the majority of claims are paid within three months; given the short term nature of the Group and Company's technical provision a claims development triangle is not deemed necessary.

22. OTHER PROVISIONS

Group	2024 £'000	2023 £'000
Provision for deferred taxation (Note 24)	225	111

Company	2024 £'000	2023 £'000
Provision for deferred taxation (Note 24)	227	110

23. CREDITORS

Group	2024 £'000	2023 £'000
Amounts falling due within one year:		
Other taxation and social security	4,453	4,301
Trade creditors	1,208	1,740
Accruals	4,142	4,806
Other	328	106
	10,131	10,953

Company	2024 £'000	2023 £'000
Amounts falling due within one year:		
Other taxation and social security	2,311	2,135
Trade creditors	781	1,194
Accruals	1,107	1,378
Other	219	120
Amount owed to group undertakings	1,224	1,248
	5,642	6,075

24. DEFERRED TAX LIABILITIES

Group	2024 £'000	2023 £'000
Accelerated capital allowances	298	366
Tax on short term timing differences - trading	(65)	(4)
Other investments	64	(187)
Losses	(72)	(64)
	225	111

Company	2024 £'000	2023 £'000
Accelerated capital allowances	235	297
Losses	(72)	-
Other investments	64	(187)
	227	110

The Company has unrecognised tax assets of £457k (2023: £594k), for the Group this figure is £457k (2023: £594k). The deferred tax liability on other investments relates to unrealised gains on investments. It is not possible to estimate how much of this deferred tax liability will be realised in the next accounting period.

25. EMPLOYEE BENEFITS

Defined contribution plans

The Group operates a number of defined contribution pension plans. The total expense relating to these plans in the current year was £856k (2023: £765k).

Defined benefit pension scheme

The Group maintains a defined benefit pension scheme, the Westfield Retirement Security Plan. The scheme closed to future accrual as at 31 March 2016.

The scheme funds are administered by a professional trustee and are independent of the Group's finances. Contributions are paid to the scheme in accordance with the recommendations of an independent actuary.

The last full actuarial valuation for funding purposes was performed as at 31 March 2021 by XPS Pensions Group. The valuation as at 31 March 2024 has also been performed by XPS Pensions Group using the projected unit credit valuation method.

Principal actuarial assumptions at the year-end were as follows:

	2024	2023
	% pa	% pa
Rate of increase in salaries	**n/a**	n/a
Discount rate	**4.90**	4.70
Inflation assumption (RPI)	**3.20**	3.20
Inflation assumption (CPI)	**2.90**	2.90

In valuing the liabilities of the pension fund at 31 March 2024 mortality assumptions have been made as indicated below:

The Mortality base table assumption used for the Plan is 101%/ 104% for males/ females respectively of S3PA base tables (2023: 101%/104% for males/females respectively).

An allowance has been included for future improvements in longevity based on the Actuarial Professions Continuous Mortality Investigation (CMI) 2022 projections. A long term rate of improvements in longevity equal to 1.25% per annum and an initial addition to mortality improvements of 0.2% has been adopted for both men and women.

The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 21.6 years (male), 23.8 years (female).
- Future retiree currently aged 45 upon reaching 65: 22.9 years (male), 25.2 years (female).

In October 2018 the UK's High Court ruled in the Lloyds Banking Group case that unequal benefits in respect of different Guaranteed Minimum Pensions (GMPs) for male and female pension scheme members must be equalised. Estimates of the impact of equalising these benefits for the Group's defined benefit pension scheme (the "Scheme") were calculated in 2021 as a 0.5% uplift to the Scheme liabilities and were included at that level.

25. EMPLOYEE BENEFITS (continued)

Group and Company	2024 £'000	2023 £'000
Net pension asset		
Defined benefit obligation	(14,058)	(14,500)
Plan assets	13,679	15,209
Net pension (liability) / asset	(379)	709

Group and Company	2024	2023
Movements in the present value of defined benefit obligation	£'000	£'000
At 1 April	14,500	22,262
Interest cost	672	574
Actuarial (gains)	(711)	(7,947)
Benefits paid	(403)	(389)
At 31 March	14,058	14,500
Movements in fair value of plan assets	£'000	£'000
At 1 April	15,209	24,291
Interest income	703	626
Return on plan assets less interest income	(1,704)	(9,220)
Expenses	(126)	(99)
Benefits paid	(403)	(389)
At 31 March	13,679	15,209
Gains recognised in the deficit on ordinary activities	£'000	£'000
Net interest on net defined benefit liability	(31)	(52)
Total	(31)	(52)
Total recognised in Other Comprehensive Income	£'000	£'000
Actuarial losses on pension scheme	993	1,273

25. EMPLOYEE BENEFITS (continued)

The fair value of the plan assets were as follows:

	2024 £'000	2023 £'000
Equities	**5,474**	5,119
LDI	**7,937**	10,064
Other	**268**	26
	13,679	15,209

26. RELATED PARTIES

The Company has taken advantage of the exemption in FRS 102 not to disclose details of transactions between Westfield Contributory Health Scheme Limited and its subsidiary undertakings, 100% of whose voting rights are controlled within the Group, that are included in the consolidated financial statements of Westfield Contributory Health Scheme Limited.

The following other transactions occurred in the year:

	2024 £'000	2023 £'000
Transactions with associates:		
Income from associates	**2**	3
Payments to associates	**(94)**	(134)
	(92)	(131)

A director of the Company was also a director of AWRC, which is a part of Sheffield Hallam University.

A director of the Company was also a director of 3Rings Care Ltd during the year, until 3Rings Care Ltd was dissolved in June 2023.

27. OPERATING LEASE COMMITMENTS

Leases as lessee

At 31 March the Group had annual commitments under non-cancellable operating leases as follows:

	2024	2023
Payments due within:	**£'000**	£'000
One year	**518**	620
Two and five years	**396**	529
	914	1,149

At 31 March the Company had annual commitments under non-cancellable operating leases as follows:

	2024	2023
Payments due within:	**£'000**	£'000
One year	**140**	74
Two and five years	**168**	46
	308	120

Leases as lessor

At 31 March the Group had annual lease receipts due under non-cancellable leases as follows:

	2024	2023
Payments due within:	**£'000**	£'000
One year	**699**	572
Two and five years	**1,995**	1,725
	2,694	2,297

At 31 March the Company had annual lease receipts due under non-cancellable operating leases as follows:

	2024	2023
Payments due within:	**£'000**	£'000
One year	**572**	413
Two and five years	**1,850**	1,456
	2,422	1,869

The lease receipts due relate to the investment property being let under operating leases and to gym equipment leased out to customers. The figures shown are the future minimum lease payments receivable under non-cancellable leases.

28. SUBSEQUENT EVENTS

There have been no significant subsequent events since the balance sheet date.

Westfield Health

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