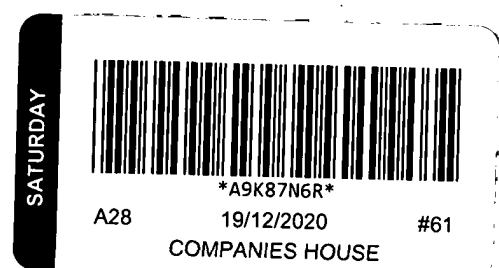


Nations Healthcare Limited
Annual Report and Financial Statements
for the year ended 31 December 2019



Nations Healthcare Limited

Contents

	Page(s)
Company Information	3
Strategic Report	4
Directors' Report	5 - 7
Independent Auditors' Report	8 - 10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14 - 22

Nations Healthcare Limited

Company Information

Directors

Henry Davies

Paolo Pieri

Company Secretary

Shane Cobb

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountant and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

Bankers

Barclays plc

Level 27

1 Churchill Place

London

E14 5HP

Registered Office

1st Floor 30 Cannon Street

London

EC4M 6XH

Nations Healthcare Limited

Strategic Report for the year ended 31 December 2019

The Directors present the Strategic Report and financial statements for Nations Healthcare Limited (the 'Company') for the year ended 31 December 2019.

Principal activities and review of business

The principal activity of the Company during the year continued to be that of a holding company providing management services to a company that provides medical practice services. All revenue relates to management fees earned from Circle Nottingham Limited.

Circle Health Holdings Limited ('CHHL') is the parent to a group of companies (the 'Group'), including the Company, that provides healthcare services in the UK, treating privately insured, self-pay and NHS-funded patients. The Group operates a network of modern and high-quality hospitals and clinics.

Results and dividends

The result for the financial year amounted to £nil (2018: £27,473k loss), including exceptional costs of £nil (2018: £27,472k). The prior year loss is relating to the impairment of historical loans provided by the Company during its development to support the Group's operating businesses. The Directors do not recommend the payment of any dividends (2018: £nil). As at 31 December 2019 the Company had net liabilities of £95,591k (2018: £95,591k).

Key performance indicators (KPIs)

As the principal activity is that of a holding company there is no formal key performance indicators used to manage the Company's operations. For this reason, the Company's directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Nations Healthcare Limited.

Principal risks and uncertainties

As the Company is principally a management services company providing central support functions for the Group's operating subsidiaries, it has historically been funded by the Group's parent entity, Circle Health Holdings Limited. The Company remains dependent on the continuing financial support of its ultimate parent undertaking, Circle Health Holdings Limited.

This strategic report has been approved by the board.

On behalf of the board:



Henry Davies

Director

21 December 2020

Nations Healthcare Limited

Directors' Report for the year ended 31 December 2019

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2019 for Nations Healthcare Limited (the 'Company'). The Company forms part of a group whose ultimate parent company is Circle Health Holdings Limited (the 'Group').

Future developments

The Company plans to continue as a holding company for the foreseeable future.

Dividends

The Directors do not recommend the payment of any dividends (2018: £nil).

Financial risk management

As the Company is principally a management services company and is dependent on any funding requirements from CHHL the financial risk management of the Group is relevant in consideration of the Company's financial risk management. CHHL, the ultimate parent undertaking of the Company, maintains a group risk management programme that seeks to mitigate any adverse effects on the financial performance of the Circle Health Holdings Group by managing levels of debt finance and the related finance costs. Details of the risk management policy are included on pages 5 to 7 of the Circle Health Holdings Group financial statements.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in existence for the foreseeable future. The Company is a member of the group of companies whose ultimate parent is Circle Health Holdings Limited ('CHHL'). The Company is reliant on financial support from CHHL. CHHL has provided a letter to the Company confirming its intention to provide financial support should it be required.

On 8 January 2020 the Company became a guarantor under the Group borrowing facilities, the Company's going concern assessment is tied to that of the Group. Management of the Group have prepared covenant and liquidity forecasts for the purpose of the going concern review and have also applied various sensitivities. These forecasts reflect the latest views, taking into account the impact of Covid 19. These forecasts and sensitivities have been reviewed by the directors of the Company together with the underlying assumptions. The forecasts show that the Group will comply with its financial covenant throughout the forecast period with appropriate headroom. The forecasts also show that the Group has sufficient facilities to provide liquidity through the review period.

After making enquiries, including reviewing the forecasts and sensitivities, the directors have concluded that they have a reasonable expectation that the Group and the Company have adequate resources available to them, to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Events after balance sheet date

The Directors are not aware of any material event which took place after the reporting date and up to the date of the Directors' Report.

Nations Healthcare Limited

Directors' Report for the year ended 31 December 2019 (continued)

Directors

The Directors who served during the year and up to the date of signing the financial statements were as follows:

Henry Davies (appointed 23 October 2020)

Massoud Fouladi (resigned 23 October 2020)

Paolo Pieri

In its Articles, the Company has granted an indemnity to its Directors in respect of proceedings brought by third parties. The Company has procured third party liability insurance for all directors and officers of the Company during the financial year and as at the date of approval of the financial statements. There are no outstanding claims or provisions as at the balance sheet date.

Dividends

The Directors do not recommend the payment of any dividends (2018: £nil).

Donations

The Company made no charitable donations (2018: £nil) during the year to charitable organisations within the UK.

The Company did not make any donations in either year to any political party registered in the UK under the Political Parties, Elections and Referendums Act 2000.

Statement of directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and

Statement of directors' responsibilities in respect of the financial statements (continued)

- 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 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.

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.

Nations Healthcare Limited

Directors' Report for the year ended 31 December 2019 (continued)

Directors' confirmations

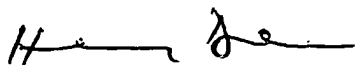
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP is the auditor for the year ended 31 December 2019. Subsequent to the signing of these financial statements, Deloitte LLP will be appointed for the year ending 31 December 2020.

On behalf of the board:



Henry Davies

Director

22 December 2020

Nations Healthcare Limited

Independent auditors' report to the members of Nations Healthcare Limited

Report on the audit of the financial statements

Opinion

In our opinion, Nations Healthcare Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Nations Healthcare Limited

Independent auditors' report to the members of Nations Healthcare Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report 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 Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Nations Healthcare Limited

Independent auditors' report to the members of Nations Healthcare Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Andy Grimby (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
12 December 2020

Nations Healthcare Limited

Statement of Comprehensive Income for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Revenue	4	1,635	2,601
Cost of sales		-	-
Gross profit		1,635	2,601
Administrative expenses		(1,635)	(2,602)
Exceptional administrative expenses	6	-	(27,472)
Operating result/(loss)	5	-	(27,473)
Result/(loss) before taxation		-	(27,473)
Tax on result/(loss)	9	-	-
Result/(loss) and total comprehensive result/loss for the financial year		-	(27,473)

The activities of the Company are all derived from continuing operations.

The notes on pages 14 to 22 form part of these financial statements.

Nations Healthcare Limited

Statement of Financial Position as at 31 December 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Investments	10	-	-
		<u>-</u>	<u>-</u>
Creditors: amounts falling due within one year	11	(95,591)	(95,591)
Net liabilities		<u>(95,591)</u>	<u>(95,591)</u>
Equity			
Called up share capital	12	625	625
Share premium account		5,540	5,540
Accumulated losses		(101,756)	(101,756)
Total shareholders' deficit		<u>(95,591)</u>	<u>(95,591)</u>

The notes on pages 14 to 22 form part of these financial statements.

The financial statements of Nations Healthcare Limited (company registration no: 04523677) on pages 11 to 22 were authorised for issue by the board of directors on 18 December 2020 and were signed on its behalf by:



Henry Davies, Director

Nations Healthcare Limited

22/12/2020

Nations Healthcare Limited

Statement of Changes in Equity for the year ended 31 December 2019

	Called up share capital £'000	Share premium £'000	Accumulated losses £'000	Total shareholders' deficit £'000
At 1 January 2018	625	5,540	(74,283)	(68,118)
Loss and total comprehensive loss for the financial year	-	-	(27,473)	(27,473)
At 31 December 2018 and 1 January 2019	625	5,540	(101,756)	(95,591)
Result and total comprehensive result for the financial year	-	-	-	-
At 31 December 2019	625	5,540	(101,756)	(95,591)

The notes on pages 14 to 22 form part of these financial statements.

Nations Healthcare Limited

Notes to the Financial Statements for the year ended 31 December 2019

1. General information

Nations Healthcare Limited (the 'Company') is a company incorporated, registered and domiciled in England & Wales under the Companies Act 2006. The address of the registered office is 1st Floor 30 Cannon Street, London, EC4M 6XH. The principal activity of the Company during the year continued to be that of a holding company providing management services to a group company. The Company is a private company limited by shares.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements are prepared for the Company for the year ended 31 December 2019. The financial statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using FRS 101 Reduced Disclosure Framework. These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7 Financial Instruments: Disclosures.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1 and paragraph 73 (e) of IAS 16 Property, Plant and equipment.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38B–D (additional comparative information);
 - 111 (statement of cash flows information); and
 - 134–136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' to disclose information when an entity has not applied a new IFRS that has been issued but is not yet effective.
- The requirements in IAS 24, 'Related party disclosures' to disclose:
 - related party transactions entered into between two or more members of a group; and
 - key management personnel compensation.

The principal accounting policies are set out below.

Nations Healthcare Limited

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

2. Significant accounting policies (continued)

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in existence for the foreseeable future. The Company is a member of the group of companies whose ultimate parent is Circle Health Holdings Limited ('CHHL'). The Company is reliant on financial support from CHHL. CHHL has provided a letter to the Company confirming its intention to provide financial support should it be required.

On 8 January 2020 the Company became a guarantor under the Group borrowing facilities, the Company's going concern assessment is tied to that of the Group. Management of the Group have prepared covenant and liquidity forecasts for the purpose of the going concern review and have also applied various sensitivities. These forecasts reflect the latest views, taking into account the impact of Covid 19. These forecasts and sensitivities have been reviewed by the directors of the Company together with the underlying assumptions. The forecasts show that the Group will comply with its financial covenant throughout the forecast period with appropriate headroom. The forecasts also show that the Group has sufficient facilities to provide liquidity through the review period.

After making enquiries, including reviewing the forecasts and sensitivities, the directors have concluded that they have a reasonable expectation that the Group and the Company have adequate resources available to them, to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 that have had a material impact on the company's financial statements.

Basis of consolidation

The financial statements contain information about Nations Healthcare Limited as an individual Company and do not contain consolidated financial information as it is not the parent of a Group.

The company is a wholly owned subsidiary of Circle Health Limited and of its ultimate parent, Circle Health Holdings Limited. It is included in the consolidated financial statements of Circle Health Holdings Limited, which are publicly available. Therefore, the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is 1st Floor 30 Cannon Street, London, EC4M 6XH.

Revenue

In accordance with IFRS 15, revenue represents management fee income earned by the Company in the ordinary course of business for services rendered in the support of Group operating companies providing healthcare services. The Company recognises revenue when performance obligations have been satisfied and for the Company this is when the services have been provided to the Group operating companies. Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance and is measured at the fair value of the consideration received for activity performed.

Administrative expenses

Administrative expenses are costs that are incurred in the course of the Company's normal business operations, but do not directly relate to the generation of revenue. Administrative expenses are reported in the statement of comprehensive income beneath gross profit but before the operating result.

Nations Healthcare Limited

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

2. Significant accounting policies (continued)

Exceptional administrative expenses

Exceptional administrative expenses are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. The exceptional administration expense relates to the write off of irrecoverable intercompany debtors.

Investments

Investments in subsidiaries are valued at cost less provision for impairment. The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and restricted cash balances.

Creditors

Creditors comprise of balances with other companies within the Group. These are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Current and deferred income taxation

Tax expense comprises current and deferred tax. The charge for current income tax is based on the results for the period, as adjusted for items which are taxable or deductible in other accounting periods and items not taxed or disallowed. The charge is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided in full (without discounting) based on current tax rates and law, on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax in the future, except as otherwise required by FRS101.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Share capital and share premium

Ordinary shares are classified as equity. Proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

3. Critical accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

The Company has not made any critical judgements in applying the accounting policies.

Critical accounting estimates and assumptions

There are no critical accounting estimates or assumptions in the financial statements.

Nations Healthcare Limited

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

4. Revenue

All revenue arises from the same continuing principal activity in the United Kingdom.

£nil (2018: £nil) of the revenue recognised in the current year was included in the deferred income balance at the beginning of the year.

5. Operating result/(loss)

The auditors' remuneration payable to PricewaterhouseCoopers LLP was £4k (2018: £4k) and was borne by Circle Holdings (OS) Limited. No non-audit services were provided during the year (2018: none).

6. Exceptional administrative expenses

	2019 £'000	2018 £'000
Exceptional administrative expenses consist of:		
Impairment of intercompany balances	-	27,472

£nil (2018: £27,472k) of balances owed to Nations Healthcare Limited by its immediate parent company, Circle Health Limited, were impaired during the year. These balances related to historical loans provided by the Company during its development to support the Group's operating businesses.

7. Employees

The Company has no staff other than the Directors (2018: nil).

8. Directors' emoluments

The Directors' emoluments were as follows:

	2019 £'000	2018 £'000
Total salary and other benefits	533	527
Company pension contributions to defined contribution scheme	34	34
Aggregate emoluments	567	561

Nations Healthcare Limited

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

8. Directors' emoluments (continued)

Post-employment benefits are accruing for two directors (2018: two) under a defined contribution scheme.

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £'000	2018 £'000
Total salary and other benefits	372	367
Company pension contributions to defined contribution scheme	10	10
Highest Director aggregate emoluments	382	377

The amounts disclosed above are the Directors' total emoluments as per their employment contracts.

The Directors of the Company are also directors or officers of a number of other companies within the Group, and are remunerated in respect of services provided to the Group.

The Directors do not consider the time spent on dealing with each individual company's matters to be material and therefore have not sought to separate out their costs or made a recharge in respect of services to each individual company in the Group.

Directors' emoluments in 2019 and 2018 were paid and expensed in Circle Health Limited.

9. Tax on result/(loss)

Tax expense included in profit or loss

	2019 £'000	2018 £'000
Current tax		
UK Corporation tax on result/(loss) for the year	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Income tax charge on result/(loss) for the year	-	-

Nations Healthcare Limited

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

9. Tax on result/(loss) (continued)

The tax assessed in 2019 is the same as (2018: higher) than the standard rate of corporation tax in the UK of 19.0% (2018: 19.0%). The differences are explained below:

	2019 £'000	2018 £'000
Result/(loss) before taxation	-	(27,473)
Result/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 19.0% (2018: 19.0%)	-	(5,220)
Effects of:		
Expenses not deductible for tax purposes	-	5,220
Temporary differences for which no deferred tax recognised	-	(17)
Effects of group relief surrendered for nil payment	-	17
Tax charge for the year	-	-

Factors affecting future tax charges

The tax rate for the current year and prior year is 19.0%. The Finance Act 2016 reduced the rate of corporation tax to 17.0% from 1 April 2020. This reduction was reversed by the Finance Act 2020 which set the rate of corporation tax at 19.0% for the financial years beginning 1 April 2020 and 1 April 2021. As these changes were not substantively enacted at the balance sheet date their effects have not been included in these financial statements.

The proposed rate change may affect future tax charges. In addition the utilisation of any tax losses and temporary differences for which no deferred tax asset has been recognised may also affect future tax charges. Deferred taxes at the balance sheet date have been measured using enacted tax rates and reflected in these financial statements.

Deferred taxation

The deferred tax asset not recognised in the financial statements is as follows:

	2019 Tax value £'000	2019 Gross Value £'000	2018 Tax value £'000	2018 Gross Value £'000
Tax losses carried forward	42	249	42	249
Deductible temporary differences - fixed assets	70	409	70	409
	112	658	112	658

A deferred tax asset has not been recognised in the financial statements due to the uncertainty over the availability of suitable future taxable profits against which asset will reverse.

Nations Healthcare Limited

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

10. Investments

Details of the investments in which the Company holds 20.0% or more of the nominal value of any class of share capital are as follows:

Name of Company	Holding	Proportion of voting rights held	Nature of Business
Circle Nottingham Limited	Ordinary shares	100%	Medical practice services

Circle Nottingham Limited is registered, domiciled and incorporated in England and Wales. The registered office of all subsidiaries is 1st Floor 30 Cannon Street, London, EC4M 6XH.

This investment was fully impaired in prior years, and so the carrying value of the investment as at 31 December 2019 is £nil (2018: £nil).

11. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Amounts owed to group undertakings	35,145	35,061
Other creditors	-	84
Preference shares held by group undertakings	22,000	22,000
Accrued interest and dividends on amounts owed to group undertakings	38,446	38,446
	95,591	95,591

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The preference shares are classified as a creditor instead of share capital as their terms are substantially the same as a loan under IFRS 9 'Financial instruments'. The following provides more details:

Preference share capital	2019 £'000	2018 £'000
Authorised		
40,000,000 (2018: 40,000,000) "C" preference shares of £1 each	40,000	40,000
	40,000	40,000
Allotted and fully paid		
22,000,000 (2018: 22,000,000) "C" preference shares of £1 each	22,000	22,000
	22,000	22,000

Nations Healthcare Limited

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

11. Creditors: amounts falling due within one year (continued)

The preference shares are non-cumulative and do not carry voting rights but have a compounding dividend of 7.0% per annum and a right to a return of capital on the winding up of the Company. The preference shares are redeemable upon a change of control and at the election of the Company after 30 June 2009.

Circle International plc, the parent undertaking of Circle Health Limited (the Company's immediate parent undertaking), holds 17,500,000 (2018: 17,500,000) of the preference shares. Circle Health Holdings Limited, the Company's ultimate parent undertaking, holds 4,500,000 (2018: 4,500,000) of the preference shares.

12. Called up share capital

	2019 £'000	2018 £'000
Ordinary share capital		
Authorised		
92,703,305 (2018: 92,703,305) 'A' ordinary shares of £0.01 each	927	927
7,303,605 (2018: 7,303,605) 'B' ordinary shares of £0.01 each	73	73
	<u>1,000</u>	<u>1,000</u>
Issued and fully paid		
55,205,645 (2018: 55,202,645) 'A' shares of £0.01 each	552	552
7,303,605 (2018: 7,303,605) 'B' shares of £0.01 each	73	73
	<u>625</u>	<u>625</u>

'B' class shares carry no voting rights. 'A' and 'B' shares rank equally on the winding up of the Company.

13. Related party transactions

The Company has taken advantage of the exemptions allowed under FRS 101, not to disclose the transactions entered into between two or more members of the Group. To this end, there are no other related party transactions in the year (2018: none).

14. Events after the balance sheet date

The Directors are not aware of any material event which took place after the reporting date and up to the date of the Directors' Report.

Nations Healthcare Limited

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

15. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Circle Health Limited, a Company registered in England and Wales.

The Directors regard Circle Health Holdings Limited, a company registered in England and Wales, as the Company's ultimate parent undertaking and controlling party.

Circle Health Holdings Limited is the parent undertaking of the smallest and largest group for which consolidated financial statements are prepared that include the financial statements of the Company.

Copies of the group financial statements for Circle Health Holdings Limited may be obtained from 1st Floor 30 Cannon Street, London, EC4M 6XH.