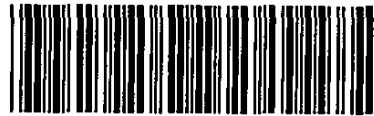


Registered No: 06435138

Circle Clinics Limited

**Annual report and financial statements
For the year ended 31 December 2011**

FRIDAY



L1FZM3YO

LD7

24/08/2012

#3

COMPANIES HOUSE

Circle Clinics Limited

Annual report and financial statements

Contents

	Pages
Company information	1
Director's report	2
Independent auditors' report	6
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10

Circle Clinics Limited

Company Information

Director

Patrick Butterworth

Company secretary

Shane Cobb

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

Barclays plc
Level 27
1 Churchill Place
London
E14 5HP

Solicitors

Capsticks
77-83 Upper Richmond Road
London
SW15 2TT

Registered office

32 Welbeck Street
London
W1G 8EU

Circle Clinics Limited

Director's report for the year ended 31 December 2011

The Director presents the Annual report and the audited financial statements for the year ended 31 December 2011 for Circle Clinics Limited (the 'Company' or 'Circle Clinics'). The Company forms part of a group whose ultimate parent company is Circle Holdings plc (the 'Circle Holdings group')

Principal activity and review of the business

The principal activity of the Company during the year is that of providing medical practice services. The Company specialises in ophthalmology, outpatient consultations, minor treatments and day case surgical treatments to privately insured and self-paying patients. The Company currently operates a clinic in Stratford-upon-Avon.

Turnover for the year was up by 7.6% to £324,000 (2010: £301,000), representing charges to patients for consultations and procedures undertaken. The increase was driven by the 3.9% rise in patient volumes to 816 (2010: 785). The principal operating expenditures of the Company are staff salaries and overheads.

Future developments

The Company plans to increase revenues and to break-even in 2012 by increasing the number of consultants who undertake operations in the clinic and utilising spare capacity.

Key performance indicators (KPIs)

The Director of Circle Clinics manages the Company's operations based on KPIs such as patient volumes, revenues and losses for the year, all of which are summarised above.

Results and dividends

The loss for the year after taxation amounted to £508,000 (2010: £317,000). The Director does not recommend the payment of any dividends (2010: £nil).

Principal risks and uncertainties

Medical service risk

As with all medical providers, clinical risk is a major consideration due to the consequences to the individuals concerned where processes break down or procedures are found to be negligent. The Circle Health Limited group, of which the Company is a subsidiary, has an Integrated Corporate Governance structure which is chaired by the Medical Director, Massoud Fouladi. This Integrated Corporate Governance structure includes senior staff across the operational, clinical and central support teams. The clinic has its own local governance structure, whilst a team of clinical care quality specialists is dedicated to developing up to date and consistent policies across all sites.

Circle Clinics Limited

Director's report for the year ended 31 December 2011 (continued)

Principal risks and uncertainties (continued)

Medical service risk (continued)

Local governance committees work to a rigorous assurance framework, manage day to day clinical risks through a risk register, provide appropriate training to staff and consultants and report their findings to the Circle Health Limited group's Integrated Governance Committee. A summary of the relevant findings is in turn presented to the two principal shareholders of Circle Health Limited, Circle Holdings plc (50.1%) and Circle Partnership Limited (49.9%).

Financial risk management

The Company's operations expose it to a variety of financial risks. The main financial risk for the Company is the availability of financial support. In this regard, the Company is reliant on its ultimate parent undertaking for financial support.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The Company is a member of the group of companies whose ultimate parent is Circle Holdings plc. The Director has assessed whether the going concern basis of preparation is appropriate by reference to the position of the entire Circle Holdings group, as the Company is reliant on financial support from Circle Holdings plc.

The Directors of Circle Holdings plc have prepared cash flow forecasts for a period of not less than 12 months from signing the financial statements for the year ending 31 December 2011. Funding of £1,500,000 was received directly from Balderton Capital III LP on 18 June 2012 and £46,000,000 from other investors, via Numis Securities, on 19 June 2012. These new funds together with existing cash balances and cash flows from the operating businesses, are deemed sufficient for the Circle Holdings plc group to continue in operational existence for the foreseeable future.

On this basis, the Director concludes that it is appropriate for the Company accounts to be prepared on a going concern basis and the ultimate parent, Circle Holdings plc, has provided a letter of support accordingly.

Events after the balance sheet date

There are no events subsequent to balance sheet date which would have a material effect on the Company's financial statements at 31 December 2011.

Circle Clinics Limited

Director's report for the year ended 31 December 2011 (continued)

Director

The Director who served during the year and up to the date of approval of these financial statements was as follows

Patrick Butterworth

In its Articles, the Company has granted an indemnity to its Director in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provisions remain in force until resignation as Director. There are no outstanding claims or provisions as at the balance sheet date.

Statement of Director's responsibilities

The Director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Director must not approve the financial statements unless he is 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 these financial statements, the Director is 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 Director is 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 to 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.

Circle Clinics Limited

Director's report for the year ended 31 December 2011 (continued)

Statement of disclosure of information to auditors

So far as the Director in office at the date of approval of these financial statements is aware

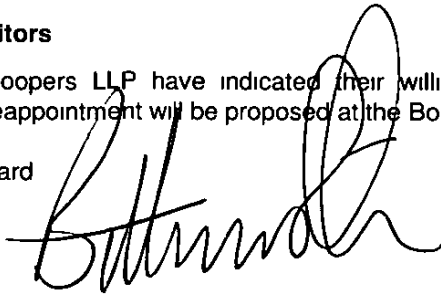
- there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office. A resolution concerning their reappointment will be proposed at the Board meeting.

By order of the Board

Director
23 July 2012



Circle Clinics Limited

Independent auditors' report to the members of Circle Clinics Limited

We have audited the financial statements of Circle Clinics Limited for the year ended 31 December 2011 which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Director's responsibilities set out on pages 4 and 5, the Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Circle Clinics Limited

Independent auditors' report to the members of Circle Clinics Limited

Matters on which we are required to report by exception

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

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



Nigel Reynolds (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

25 July 2012

Circle Clinics Limited

Profit and loss account for the year ended 31 December 2011

	Note	2011 £'000	2010 £'000
Turnover	2	324	301
Cost of sales		(170)	(139)
Gross profit		154	162
Administrative expenses		(637)	(446)
Operating loss	3	(483)	(284)
Interest payable and similar charges	6	(25)	(33)
Loss on ordinary activities before taxation		(508)	(317)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year	15	(508)	(317)

The activities of the Company relate to continuing operations

The Company has no recognised gains and losses other than those above and therefore no separate statement of total recognised gains and losses has been presented

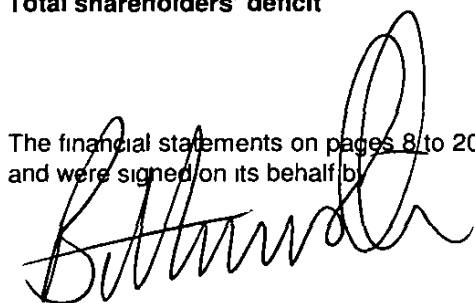
There is no difference between the loss on ordinary activities before taxation and the loss for the financial years stated above (2010 no difference) and their historical cost equivalents

Circle Clinics Limited

Balance sheet as at 31 December 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Investments	8	-	354
Tangible fixed assets	9	237	339
Current assets			
Stock	10	25	19
Debtors	11	40	42
Cash at bank and in hand	12	-	19
		<u>65</u>	<u>80</u>
Creditors - amounts falling due within one year	13	<u>(2,195)</u>	<u>(2,158)</u>
Net current liabilities		<u>(2,130)</u>	<u>(2,078)</u>
Total assets less current liabilities		<u>(1,893)</u>	<u>(1,385)</u>
Net liabilities		<u><u>(1,893)</u></u>	<u><u>(1,385)</u></u>
Capital and reserves			
Called up share capital	14	-	-
Profit and loss account	15	<u>(1,893)</u>	<u>(1,385)</u>
Total shareholders' deficit	16	<u><u>(1,893)</u></u>	<u><u>(1,385)</u></u>

The financial statements on pages 8 to 20 were approved by the Board of on 23 July 2012 and were signed on its behalf by



Director
Circle Clinics Limited

Registered No: 06435138

Circle Clinics Limited

Notes to the financial statements for the year ended 31 December 2011

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The Company is a member of the group of companies whose ultimate parent is Circle Holdings plc. The Director has assessed whether the going concern basis of preparation is appropriate by reference to the position of the entire Circle Holdings group, as the Company is reliant on financial support from Circle Holdings plc.

The Directors of Circle Holdings plc have prepared cash flow forecasts for a period of not less than 12 months from signing the financial statements for the year ending 31 December 2011. Funding of £1,500,000 was received directly from Balderton Capital III L.P. on 18 June 2012 and £46,000,000 from other investors, via Numis Securities, on 19 June 2012. These new funds together with existing cash balances and cash flows from the operating businesses, are deemed sufficient for the Circle Holdings plc group to continue in operational existence for the foreseeable future.

On this basis, the Director concludes that it is appropriate for the Company accounts to be prepared on a going concern basis and the ultimate parent, Circle Holdings plc, has provided a letter of support accordingly.

Cash flow statement

The Director has taken advantage of the exemption in FRS 1 (revised 1996) 'Cash flow statements' from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its immediate parent, Circle Health Limited, publishes consolidated financial statements.

Related party transactions

The Director has taken advantage of the exemption in FRS 8 'Related party disclosures' from disclosing transactions with other members of the Circle Holdings plc group with which the Company is a constituent of a 100.0% group.

Circle Clinics Limited

Notes to the financial statements

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Such costs include costs directly attributable to making assets capable of operating as intended.

Depreciation is provided on a straight line basis at rates calculated to write off the cost or valuation, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	– shorter of lease life or expected useful life (5-10 years)
Clinical equipment	– 3 years straight line
Fixtures, fittings and office equipment	– 3 to 10 years straight line

Residual values, if material, and useful lives are reviewed at the end of each reporting period. The carrying values of tangible fixed assets are reviewed for impairment when events or changes of circumstances indicate the carrying value may not be recoverable.

Turnover

Turnover represents the total amount earned by the Company in the ordinary course of business for services rendered for the provision of healthcare services. Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, for activity performed. Turnover from the provision of medical services is recognised once the patient has been discharged.

Operating leases

Where the Company does not retain substantially all the risks and rewards of ownership of the asset, leases are classified as operating leases. Rentals under operating leases are charged on a straight line basis over the lease term and lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

Stock

Consumable stock is stated at the lower of cost and net realisable value. Cost comprises purchase price less trade discounts and is determined on a first-in, first-out basis. Net realisable value means estimated selling price (net of trade discounts), less all costs incurred in marketing, selling and distribution. Obsolete stock is provided for through the profit and loss account. Where title never transfers to the Company, consignment stock is held off balance sheet.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business. Trade debtors are measured at cost, less provision for impairment.

Circle Clinics Limited

Notes to the financial statements

1 Accounting policies (continued)

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks and restricted cash balances

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised at cost.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the Director considers there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on the tax rates or laws enacted or substantively enacted at the balance sheet date.

Pensions

The Company participates in a group personal defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in net profit or loss when the liabilities are derecognised or impaired as well as through the amortisation process.

2 Turnover

All turnover arises from the same principal activity in the United Kingdom.

Circle Clinics Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

3 Operating loss

Operating loss is stated after charging	2011 £'000	2010 £'000
Depreciation of tangible fixed assets	103	186
Impairment of investment	354	-
Operating lease charges		
- land and buildings	<u>58</u>	<u>58</u>

The auditors' remuneration of £6,000 payable to PricewaterhouseCoopers LLP (2010 £5,100) in relation to the provision of audit services was borne by Circle Health Limited, the immediate parent of the Company

4 Employee Information

Staff costs were as follows	2011 £'000	2010 £'000
Wages and salaries	104	102
Social security costs	<u>10</u>	<u>9</u>
	<u>114</u>	<u>111</u>

During 2010, and for the first three months of 2011, salaries and wages were paid by the Company's immediate parent, Circle Health Limited and recharged at cost to the Company

The average monthly number of employees, including the Director, during the year was as follows

	2011 Number	2010 Number
Clinical staff	4	4
Administrative staff	<u>2</u>	<u>1</u>
	<u>6</u>	<u>5</u>

Circle Clinics Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

5 Director's emoluments

	2011 £'000	2010 £'000
Aggregate emoluments	<u>97</u>	<u>96</u>
Highest paid Director	<u>97</u>	<u>96</u>

The Director of the Company is also a Director or officer of a number of other companies within the ultimate parent group (Circle Holdings group), and is remunerated in respect of services provided to the Circle Holdings group. The Director does not consider the time spent on dealing with the Company's matters to be material and therefore has not sought to separate out their costs in respect of services to each individual company in the Circle Holdings group. The amounts disclosed above is the Director's total emoluments as per their employment contracts.

Director's emoluments in 2011 and 2010 were paid and expensed in Circle Health Limited.

The Director does not have any retirement benefits accruing under money purchase schemes (2010 none) and there was no compensation paid for loss of office during the year (2010 £nil).

6 Interest payable and similar charges

	2011 £'000	2010 £'000
Unwind of discount on loan notes	<u>25</u>	<u>33</u>

7 Tax on loss on ordinary activities

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

	2011 £'000	2010 £'000
Current tax		
UK corporation tax	-	-
Deferred tax		
Origination and reversal timing differences	-	-
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>

(b) Factors affecting current tax for the year

The tax assessed for the year is lower (2010 lower) than the average rate of corporation tax in the UK 26.5% (2010 28.0%). The differences are explained below

Circle Clinics Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

7 Tax on loss on ordinary activities

(b) Factors affecting current tax for the year (continued)

	2011 £'000	2010 £'000
Loss on ordinary activities before taxation	(508)	(317)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010: 28.0%)	(135)	(89)
Effects of		
Capital allowances in excess of depreciation	(3)	32
Expenses not deductible for tax purposes	88	22
Unrelieved tax losses	50	35
Current tax charge for the year	-	-

(c) Factors affecting future tax charges

The standard rate of corporation tax in the UK changed from 28.0% to 26.0% with effect from 1 April 2011. Legislation was enacted to cut the main rate of corporation tax from 26.0% to 25.0% from 1 April 2012.

Subsequently on 21 March 2012, the Budget Statement announced that the UK corporation tax rate would be reduced to 24.0% from 1 April 2012. This was substantively enacted on 26 March 2012. As this rate reduction had not been substantially enacted at the balance sheet date, it is not included in these financial statements.

On 17 July 2012, a reduction in the main rate of corporation tax to 23.0% from 1 April 2013 was enacted at Royal Assent. A further reduction to 22.0% from 1 April 2014 expected to be enacted in 2013. None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The proposed rate changes may affect future tax charges and reduce deferred tax liabilities.

Circle Clinics Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

7 Tax on loss on ordinary activities (continued)

(d) Deferred taxation

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

	2011 £'000	2010 £'000
Depreciation in excess of capital allowances	71	72
Unrelieved tax losses	175	148
	<u>247</u>	<u>220</u>

The deferred tax asset has not been recognised in the financial statements due to the uncertainty over the future taxable profits against which the asset will reverse

8 Investments

Cost	£'000
At 1 January 2011	722
Additions	-
At 31 December 2011	<u>722</u>
Provision for impairment	
At 1 January 2011	368
Charge for the year	354
At 31 December 2011	<u>722</u>
Net book amount	
At 31 December 2011	<u>-</u>
At 31 December 2010	<u>354</u>

Circle Clinics Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

8 Investments (continued)

On 4 July 2008, the Company acquired 100.0% of the issued share capital of Windsor Hand Surgery Limited for a cash consideration of £363,000 and deferred consideration of £301,000. The investment in Windsor Hand Surgery Limited was initially recognised in the Company's balance sheet at its fair value at the date of acquisition. Following an initial impairment in 2008, as at 31 December 2011, further indicators of impairment have been identified and consequently, the Director made a further provision of £354,000 (2010: £nil) against the cost of the investment.

The amount of deferred consideration and loan notes payable is dependent upon the turnover achieved by Windsor Hand Surgery Limited in the five years following its acquisition by the Company. The present value of the amount the Director expects to be payable after current year reassessment is £326,000 (2010: £399,000). Estimates of the deferred consideration will be revised as further and more certain information becomes available.

9 Tangible fixed assets

	Leasehold improvements £'000	Clinical equipment £'000	Fixtures, fittings and office equipment £'000	Total £'000
Cost				
At 1 January 2011	390	352	64	806
Additions	-	-	1	1
At 31 December 2011	390	352	65	807
Depreciation				
At 1 January 2011	121	290	56	467
Charge for the year	39	56	8	103
At 31 December 2011	160	346	64	570
Net book value				
At 31 December 2011	230	6	1	237
At 31 December 2010	269	62	8	339

Circle Clinics Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

10 Stock

	2011 £'000	2010 £'000
Consumables	<u>25</u>	<u>19</u>

At 31 December 2011, the consignment stock balance amounted to £18,000 (2010 £21,000)

11 Debtors

	2011 £'000	2010 £'000
Trade and other debtors	18	17
Prepayments and accrued income	<u>22</u>	<u>25</u>
	<u>40</u>	<u>42</u>

12 Cash at bank and in hand

	2011 £'000	2010 £'000
Cash at bank and in hand	<u>-</u>	<u>19</u>

13 Creditors – amounts falling due within one year

	2011 £'000	2010 £'000
Bank overdrafts	2	-
Trade creditors	23	17
Amounts owed to group undertakings	1,834	1,738
Accruals and deferred income	10	4
Loan note	316	364
Contingent consideration	<u>10</u>	<u>35</u>
	<u>2,195</u>	<u>2,158</u>

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

The Loan Note Instrument, which determines the unsecured loan notes and contingent consideration payable upon the acquisition of Windsor Hand Surgery Limited, sets out covenants and guarantees related to the acquisition. These covenants are currently in breach, and therefore the loan notes have been classified as a current liability

Circle Clinics Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

13 Creditors – amounts falling due within one year

On acquisition of the Windsor Hand Surgery Limited, the Company issued loan notes that accrue over 5 years to the former owners Pat Morrish and David Evans. The undiscounted values of these loan notes are £91,000 (2010: £91,000) and £273,000 (2010: £359,000) respectively after current year reassessment. These are payable on 4 July 2013 and do not attract interest.

In addition to the loan notes, contingent consideration based on annual turnover over 5 years is payable in annual instalments to David Evans. On acquisition these balances were discounted to present value using a rate of 10.0% with the discount unwinding over the 5 years post acquisition.

During the year, the cash flow liabilities were reassessed based on actual and budgeted turnover over the life of the agreement. The movements during the year can be summarised as follows:

	Loan notes £'000	Contingent consideration £'000	Total £'000
At 1 January 2011	364	35	399
Reassessment of future cash flows	(73)	(15)	(88)
Unwind of discount on acquisition	25	-	25
Payments made	-	(10)	(10)
	316	10	326

14 Called up share capital

	2011 £'000	2010 £'000
Authorised		
100 (2010: 100) ordinary shares of £1 each	-	-
Allotted and fully paid		
1 (2010: 1) ordinary share of £1 each	-	-

15 Profit and loss account

	Profit and loss account £'000
At 1 January 2011 as originally reported	(1,386)
Reclassification	1
At 1 January 2011 as restated	(1,385)
Loss for the financial year	(508)
At 31 December 2011	(1,893)

The comparatives have been restated to reclassify £1,000 from share capital which was included in error in 2010.

Circle Clinics Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

16 Reconciliation of shareholders' deficit

	2011 £'000	2010 £'000
Opening shareholders' deficit	(1,385)	(1,068)
Loss for the financial year	(508)	(317)
Closing shareholders' deficit	<u>(1,893)</u>	<u>(1,385)</u>

17 Capital commitments

At 31 December 2011, the Company had no capital commitments (2010 £nil)

18 Operating lease commitments

At 31 December 2011, the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011 £'000	2010 £'000
Expiry date:		
After more than five years	58	58
	<u>58</u>	<u>58</u>

19 Events after the balance sheet date

There are no events subsequent to balance sheet date which would have a material effect on the Company's financial statements at 31 December 2011

20 Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Circle Health Limited, a company registered in England and Wales and is the smallest group for which consolidated financial statements are prepared that include the financial statements of the Company

Circle Holdings plc is the parent company of the 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 Holdings plc may be obtained from 12 Castle Street, St Helier, JE2 3RT, Jersey

At 31 December 2011, the Director regards Circle Holdings plc, a company registered in Jersey, as the Company's ultimate parent undertaking and controlling party