

Registered No: 06435138

Circle Clinics Ltd

**Annual report and financial statements
For the year ended 31 December 2013**

THURSDAY



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COMPANIES HOUSE

Circle Clinics Ltd

Company Information

Director

Rachael Magnani

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 Ltd

Strategic report

for the year ended 31 December 2013

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 operated a clinic in Stratford-upon-Avon until 28 March 2014.

Turnover for the year was up by 32% to £363,000 (2012: £276,000), representing charges to patients for consultations and procedures undertaken. Despite the slight decrease in patient numbers, down 7% to 730 (2012: 785), an increase in turnover has been driven by the mix of procedures performed. The principal operating expenditures of the Company are staff salaries and overheads.

Key performance indicators (KPIs)

The Director of Circle Clinics Ltd 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 financial year amounted to £241,000 (2012: £226,000). The Director does not recommend the payment of any dividends (2012: £nil). During the year the Company recorded exceptional expenses of £91,000 (2012: £nil) in respect of a provision for dilapidations and impairment of tangible fixed assets. This was offset by an exceptional gain relating to the write-off of intercompany loan amounts owed. These have been presented in exceptionals for consistency with the previous periods as they are considered to be outside the course of normal business activity.

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.

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%).

On behalf of the Board

Rachael Magnani, Director
9 May 2014

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Circle Clinics Ltd

Director's report for the year ended 31 December 2013

The Director presents the Annual report and the audited financial statements for the year ended 31 December 2013 for Circle Clinics Ltd (the 'Company' or 'Circle Clinics'). The Company forms part of a group whose ultimate parent company is Circle Holdings plc (the 'Circle Holdings group').

Future developments

The Circle Holdings group made a decision after 31 December 2013 to cease services at the Clinic from the end of March 2014 as part of the group's reconfiguration to exit its smaller clinics businesses.

Financial risk management

The Company's operations expose it to a variety of financial risks. The immediate parent undertaking of the Company, Circle Holdings plc has in place a group risk management programme that seeks to limit the adverse effects on the financial performance of the Circle Holdings group by monitoring levels of debt finance and the related finance costs. Details of the risk management policy are included on pages 11 to 12 of the Circle Holdings group financial statements.

Going concern

The director intends to liquidate the Company in the foreseeable future, given that trading ceased in March 2014. Therefore she considers it appropriate to prepare the financial statements on a basis of preparation other than going concern. Refer to note 1 for further details.

Events after the balance sheet date

The Circle Holdings group made a decision after 31 December 2013 to cease services at the Clinic from the end of March 2014 as part of the group's reconfiguration to exit its smaller clinics businesses.

Directors

The Directors who served during the year and up to the date of approval of these financial statements are as follows:

Patrick Butterworth (resigned 18 March 2013)

Rachael Magnani (appointed 18 March 2013)

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

Circle Clinics Ltd

Director's report for the year ended 31 December 2013 (continued)

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 she 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;
- 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. She is 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.

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:

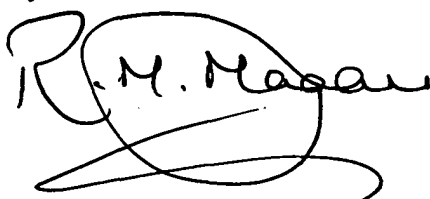
- there is no relevant audit information of which the Company's auditors are unaware; and
- she has taken all the steps that she ought to have taken as a Director in order to make herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

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

On behalf of the Board

Rachael Magnani, Director
9 May 2014

A handwritten signature in black ink, appearing to read 'R. M. Magnani', with a large, stylized flourish underneath.

Circle Clinics Ltd

Independent auditors' report to the members of Circle Clinics Ltd

Report on the financial statements

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 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the going concern basis of accounting. Following the year end the Director has decided that the company will cease trading during the next financial year. Accordingly, the going concern basis of accounting is no longer appropriate. No adjustments have been required to be made in these financial statements.

What we have audited

The financial statements, which are prepared by Circle Clinics Ltd, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the director has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Circle Clinics Ltd

Independent auditors' report to the members of Circle Clinics Ltd (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Director's Responsibilities set out on page 6, 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 ISAs (UK & 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.



Nigel Reynolds (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
12 May 2014

Circle Clinics Ltd

Profit and loss account for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Turnover	2	363	276
Cost of sales		(192)	(148)
Gross profit		171	128
Administrative expenses		(301)	(317)
Exceptional administrative expenses	3	(91)	-
Operating loss	3	(221)	(189)
Interest payable and similar charges	6	(20)	(37)
Loss on ordinary activities before taxation		(241)	(226)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year	16	(241)	(226)

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 (2012: no difference) and their historical cost equivalents.

Circle Clinics Ltd

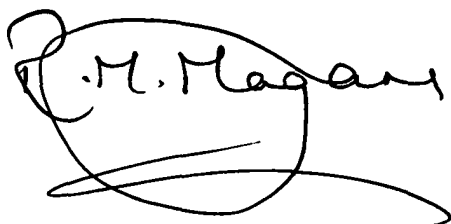
Balance sheet as at 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Investments	8	-	-
Tangible fixed assets	9	-	191
Current assets			
Stock	10	13	18
Debtors	11	48	45
Cash at bank and in hand	12	-	3
		<u>61</u>	<u>66</u>
Creditors - amounts falling due within one year	13	<u>(2,312)</u>	<u>(2,376)</u>
Net current liabilities		<u>(2,251)</u>	<u>(2,310)</u>
Total assets less current liabilities		<u>(2,251)</u>	<u>(2,119)</u>
Provisions for liabilities and charges	14	<u>(109)</u>	-
Net liabilities		<u><u>(2,360)</u></u>	<u><u>(2,119)</u></u>
Capital and reserves			
Called up share capital	15	-	-
Profit and loss account	16	<u>(2,360)</u>	<u>(2,119)</u>
Total shareholders' deficit	17	<u><u>(2,360)</u></u>	<u><u>(2,119)</u></u>

The financial statements on pages 9 to 20 were approved by the Board on 9 May 2014 and were signed on its behalf by:

Rachael Magnani, Director
Circle Clinics Ltd

Registered No: 06435138



Circle Clinics Ltd

Notes to the financial statements for the year ended 31 December 2013

1 Accounting policies

Basis of preparation

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.

Trade will cease in Circle Clinics Ltd from March 2014. Therefore the director has decided that the Company will be wound up in the foreseeable future. Accordingly, the going concern basis of accounting is no longer appropriate as at 31 December 2013. No adjustments have been required to be made in these financial statements. The comparative financial information continues to be prepared on a going concern basis. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

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% group.

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.

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.

Circle Clinics Ltd

Notes to the financial statements for the year ended 31 December 2013 (continued)

1 Accounting policies (continued)

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.

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.

Cash at bank and in hand

Cash and cash equivalents includes cash in hand, deposits held at call with banks, overnight deposits other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

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.

Circle Clinics Ltd

Notes to the financial statements for the year ended 31 December 2013 (continued)

2 Turnover

All turnover arises from the same principal activity in the United

3 Operating loss

Operating loss is stated after charging / (crediting):	2013	2012
	£'000	£'000
Depreciation of tangible fixed assets	39	46
Operating lease charges		
- Land and buildings	58	58
Exceptional operating items:		
Impairment of property, plant and equipment (note 9)	152	-
Dilapidations provision (note 14)	109	-
Write-off of intercompany loan amount owed	(170)	-
	91	-

During the year a number of intercompany loan amounts were written off as part of a clear-up exercise within the Circle Holdings plc group. This has resulted in an exceptional gain for 2013.

Given the decision taken to cease operations at the Clinic from March 2014, when using pre-tax cash flow projections this failed to support the asset carrying values. This has resulted in an impairment to the leasehold improvements.

The auditors' remuneration of £5,400 payable to PricewaterhouseCoopers LLP (2012: £5,200) in relation to the provision of audit services was borne by Circle Health Limited, the immediate parent of the Company. No non-audit services were provided during the year (2012: none).

4 Employee Information

Staff costs were as follows:	2013	2012
	£'000	£'000
Wages and salaries	109	104
Social security costs	10	10
Other pension costs	4	3
	123	117

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

	2013	2012
	Number	Number
Clinical staff	4	4
Administrative staff	1	2
	5	6

Circle Clinics Ltd

Notes to the financial statements for the year ended 31 December 2013 (continued)

5 Directors' emoluments

	2013 £'000	2012 £'000
Aggregate emoluments	<u>216</u>	<u>108</u>
Highest paid Director	<u>140</u>	<u>108</u>

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

Directors' emoluments in 2013 and 2012 were paid and expensed in Circle Health Limited.

The Directors had retirement benefit contributions during the year of £13,000 (2012: £nil) and there was no compensation paid for loss of office during the year (2012: £nil).

6 Interest payable and similar charges

	2013 £'000	2012 £'000
Interest payable on amounts owed to subsidiary undertakings	2	-
Unwind of discount on loan notes	18	37
	<u>20</u>	<u>37</u>

7 Tax on loss on ordinary activities

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2013 £'000	2012 £'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 higher (2012: higher) than the average rate of corporation tax in the UK 23.25% (2012: 24.5%). The differences are explained below:

Circle Clinics Ltd

Notes to the financial statements for the year ended 31 December 2013 (continued)

7 Tax on loss on ordinary activities (continued)

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

	2013 £'000	2012 £'000
Loss on ordinary activities before taxation	(241)	(226)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	(56)	(55)
Effects of:		
Capital allowances in excess of depreciation	(15)	2
Expenses not deductible for tax purposes	49	18
Income not taxable for tax purposes	(40)	-
Group relief surrendered for nil payment	62	35
Current tax charge for the year	-	-

(c) Factors affecting future tax charges

The standard rate of corporation tax in the UK changed from 24.0% to 23.0% with effect from 1 April 2013. Legislation was enacted to reduce the main rate of corporation tax from 23.0% to 21.0% with effect from 1 April 2014.

The main rate will reduce further to 20% (and will become unified with the small companies rate) from 1 April 2015. The reductions in tax rate to 21% and subsequently to 20% were substantively enacted for the purposes of FRS 19 - 'Deferred tax', on 2 July 2013.

As these rate changes have been substantively enacted at the balance sheet date, their effects have been included in these financial statements.

Circle Clinics Ltd

Notes to the financial statements for the year ended 31 December 2013 (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:

	2013 £'000	2012 £'000
Depreciation in excess of capital allowances	60	84
Tax losses	122	140
	<u>182</u>	<u>224</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 2013	722
Additions	-
At 31 December 2013	<u>722</u>
Provision for impairment	
At 1 January 2013	722
Charge for the year	-
At 31 December 2013	<u>722</u>
Net book amount	
At 31 December 2013	<u>-</u>
At 31 December 2012	<u>-</u>

Circle Clinics Ltd

Notes to the financial statements for the year ended 31 December 2013 (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, further indicators of impairment were identified during 2011 and consequently a further provision of £354,000 was raised against the cost of the investment.

9 Tangible fixed assets

	Leasehold improvements £'000	Clinical equipment £'000	Fixtures, fittings and office equipment £'000	Total £'000
Cost				
At 1 January 2013	390	352	65	807
At 31 December 2013	390	352	65	807
Accumulated depreciation				
At 1 January 2013	199	352	65	616
Charge for the year	39	-	-	39
Impairment charge for the year	152	-	-	152
At 31 December 2013	390	352	65	807
Net book value				
At 31 December 2013	-	-	-	-
At 31 December 2012	191	-	-	191

Given operations are ceasing after year end, when using pre-tax cash flow projections based on management approved five year financial forecasts this failed to support the asset carrying values. This has resulted in an impairment to the leasehold improvements. The impairment charge for the year is included in the income statement within Exceptional Operating Items (note 3).

Circle Clinics Ltd

Notes to the financial statements for the year ended 31 December 2013 (continued)

10 Stocks

	2013 £'000	2012 £'000
Consumables	<u>13</u>	<u>18</u>

At 31 December 2013, the consignment stock balance amounted to £13,000 (2012: £18,000).

11 Debtors

	2013 £'000	2012 £'000
Trade debtors	27	22
Prepayments and accrued income	21	23
	<u>48</u>	<u>45</u>

12 Cash at bank and in hand

	2013 £'000	2012 £'000
Cash at bank and in hand	<u>-</u>	<u>3</u>

13 Creditors – amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	17	23
Amounts owed to group undertakings	2,289	1,993
Accruals and deferred income	5	7
Loan note	-	348
Contingent consideration	-	5
Bank overdraft	1	-
	<u>2,312</u>	<u>2,376</u>

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

In relation to the acquisition of Circle Clinic Windsor, the Group issued loan notes to the former owners David Evans and Pat Morrish that matured over five years from the date of acquisition and were dependent on performance over that period. These became payable on 4 July 2013 and were fully settled on 25 July 2013 for £366,000.

In addition to the loan notes, contingent consideration based on annual turnover over five 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 five years post acquisition.

Circle Clinics Ltd

Notes to the financial statements for the year ended 31 December 2013 (continued)

13 Creditors – amounts falling due within one year (continued)

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 2013	348	5	353
Reassessment of future cash flows	1	-	1
Unwind of discount on loan notes	17	-	17
Payments made	(366)	(5)	(371)
At 31 December 2013	-	-	-

14 Provisions for liabilities and charges

	2013 £'000	2012 £'000
At 1 January	-	-
Charge for the year	109	-
At 31 December	109	-

This provision relates to the expected cost of returning the leased premises to their former state when the lease expires.

15 Called up share capital

	2013 £'000	2012 £'000
Authorised		
100 (2012: 100) ordinary shares of £1 each	-	-
Allotted and fully paid		
1 (2012: 1) ordinary share of £1 each	-	-

16 Profit and loss account

	£'000
At 1 January 2013	(2,119)
Loss for the financial year	(241)
At 31 December 2013	(2,360)

Circle Clinics Ltd

Notes to the financial statements for the year ended 31 December 2013 (continued)

17 Reconciliation of shareholders' deficit

	2013	2012
	£'000	£'000
Opening shareholders' deficit	(2,119)	(1,893)
Loss for the financial year	(241)	(226)
Closing shareholders' deficit	<u>(2,360)</u>	<u>(2,119)</u>

18 Capital commitments

At 31 December 2013, the Company had no capital commitments (2012: £nil).

19 Operating lease commitments

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

	Land and buildings	
	2013	2012
	£'000	£'000
Expiry date:		
Later than 1 year and no later than 5 years	58	-
After more than five years	-	58
	<u>58</u>	<u>58</u>

20 Pension commitments

The Company participates in a group personal defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The contributions for the year were £4,000 (2012: £3,000). There were £nil in outstanding contributions as at 31 December 2013 (2012: £nil).

21 Events after the balance sheet date

The Circle Holdings group made a decision after 31 December 2013 to cease services at the Clinic from the end of March 2014 as part of the group's reconfiguration to exit its smaller clinics businesses.

Other than the matter noted above there are no events subsequent to balance sheet date which would have a material effect on the Company's financial statements at 31 December 2013.

22 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 2013, the Director regards Circle Holdings plc, a company registered in Jersey, as the Company's ultimate parent undertaking and controlling party.