

DON'T
STAPLE**OS AA01**Statement of details of parent law and other
information for an overseas company

Companies House

✓ What this form is for
You may use this form to
accompany your accounts
disclosed under parent law.

✗ What this form is for
You cannot use this form for
an alteration of name
with accounting requirements.

WEDNESDAY



A03 15/02/2023 #194
COMPANIES HOUSE

Please
use**Part 1 Corporate company name**Corporate name of
overseas company ①

Circle Holdings (OS) Limited

UK establishment
number

B R 0 1 5 3 3 2

→ Filling in this form

Please complete in typescript or in
bold black capitals.All fields are mandatory unless
specified or indicated by *① This is the name of the company in
its home state.**Part 2 Statement of details of parent law and other
information for an overseas company****A1****Legislation**Please give the legislation under which the accounts have been prepared and
audited.

Legislation ②

UK (FRS101)

② This means the relevant rules or
legislation which regulates the
preparation of accounts.**A2****Accounting principles**

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.☒ Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.③ Please insert the name of the
appropriate accounting organisation
or body.Name of organisation
or body ③

FINANCIAL REPORTING COUNCIL

OS AA01

Statement of details of parent law and other information for an overseas company

A3

Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

☒ **No.** Go to **Part 3 'Signature'**.

☐ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.

❶ Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body ❶

Part 3

Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X



X

This form may be signed by:
Director, Secretary, Permanent representative.

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Kevin Haimes

Company name

Circle Health Group Limited

Address

1st Floor

30 Cannon Street

Post town

London

County/Region

Postcode

E

C

4

M

6

X

H

Country

UK

DX

Telephone

**Checklist**

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Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.

**Important information**

Please note that all this information will appear on the public record.

**Where to send**

You may return this form to any Companies House address:

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DX 33050 Cardiff.

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Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

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Company registered number: FC030337

Circle Holdings (OS) Limited

**Annual Report and Unaudited Financial Statements
for the year ended 31 December 2020**

Circle Holdings (OS) Limited

Annual Report and Unaudited Financial Statements Contents

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**Strategic report
for the year ended 31 December 2020**

The directors present their strategic report on the affairs of Circle Holdings (OS) Limited ("the Company") for the year ended 31 December 2020, following a change in the year end date to align with Circle subsequent to their acquisition of BMI Healthcare. As a result the financial balances for the current reporting period are not entirely comparable to the prior year. The Company is an indirect subsidiary of Circle Health 2 Limited, whose ultimate parent company is Circle Health Holdings Limited ("Circle"). Circle acquired GHG Healthcare Holdings Limited and its subsidiaries ("the Group"), on 8 January 2020 to become the largest independent hospital group in the UK (together "the Circle Group"). This Strategic report has been prepared for the Group, so as to emphasise those matters significant to the Group and its affiliate undertakings as a whole, which have a significant impact on the Company.

The Company was incorporated in the United Kingdom on 23 May 2011 and is a holding Company within the Group structure. The Group provides an extensive range of general and specialised medical care services to both private insured, self-pay and National Health Service ("NHS") funded patients.

Change in ownership

On 24 December 2019, Circle Health Holdings Limited entered into share purchase agreements to acquire GHG Healthcare Holdings Limited, the holding company of the BMI Healthcare group ('BMI') (the 'Transaction').

The Transaction formally completed on 8 January 2020 and therefore these accounts are the first of the new consolidated group's performance.

As a result of the Transaction the CMA issued an Initial Enforcement Order (the 'Order'), requiring the operational business of Circle and BMI to remain separate until the CMA had reviewed the Transaction. On 23 June 2020 the Order was released as an undertaking by the Circle Group to divest two hospitals was accepted by the CMA, requiring the Group to divest Circle Bath Hospital (which was sold by the Group in June 2021 to Royal United Hospitals Bath NHS Foundation Trust) and Circle Birmingham Hospital (the sale of which has not happened as at the date of this report).

As part of the Transaction, the Group entered into new senior lending facilities. The new senior facilities agreement ('SFA') requires the Group to comply with certain financial covenants. Further details are given in the Going Concern assessment elsewhere in the report.

The SFA includes a senior term loan of £198m, a revolving credit facility of £30m (the 'RCF') and a capex facility of £50m, of which £20m was drawn as part of the Circle Transaction.

Review of business performance and key performance indicators (KPIs)

The Directors do not consider it necessary to include any further key performance indicators, other than the current period results and financial position shown below, in order to understand the business.

Financial performance

The Company's profit after taxation for the year ended 31 December 2020 was £88.2m (31 December 2019: £25k). During the year the directors did not pay a dividend (year ended 31 December 2019: £nil).

Financial position

The Company's balance sheet as at 31 December 2020 showed net assets of £94m, compared with net liabilities of £5.8m as at 31 December 2019.

**Strategic report
for the year ended 31 December 2020 (continued)**

Covid-19 pandemic

The Group's hospitals have remained open throughout the pandemic and have been working with the NHS in England, Scotland and Wales to support the provision of healthcare to patients across the country. In the initial phase, this included treatment of Covid-positive patients at some hospitals and providing continuing care for patients requiring urgent treatment including complex cancer surgery, chemotherapy, cardiac care, and diagnostic imaging services. Subsequently, the Group has committed the majority of its hospital capacity to supporting the return to elective surgical and other cases to support the NHS in beginning to clear waiting lists, alongside opening up capacity to treat insured and self-pay patients requiring treatment.

Activity and revenue levels for the group have returned close to prior year levels over recent months with a significant waiting list of deferred patients requiring treatment. The directors and management are monitoring the changing environment and working to ensure continued support and capacity is available for patients.

Outlook

As a result of the delay to treatments caused by the Covid pandemic and continuing disruption to elective care, the demand for healthcare services over the short and medium term is expected to be strong. The Group's large hospital network, capacity and geographical footprint, means that the Company is well placed to deliver increased diagnostic, surgical and other treatment to patients in all geographies.

It is noted that there is likely to be a risk of continued impact of Covid throughout 2021 that may time to time disrupt the realisation of the built up demand for healthcare services into activity for the Group.

Pressures on clinical staffing availability are expected to continue in the medium term resulting in upward cost pressure in this area. The cost of Covid testing of patients and staff as well as increased costs of personal protective equipment ('PPE') have increased costs since the start of the pandemic and this is expected to continue in the short term as a necessary cost to keep our patients and staff safe.

The Transaction provides the Group with continued access to capital, under the Group's borrowing facilities and cash reserves, to continue the investment in the hospitals as well as developing new services to drive growth in key markets.

Principal risks and uncertainties

The Companies Act 2006 requires all companies to disclose and discuss the principal risks and uncertainties that they face which, in most cases, are normal business risks. The Group manages risks through its committee structure, including governance committees, and through the use of a regularly updated and reviewed risk register, and risk mitigation across all levels is discussed and actioned on a regular basis by the directors.

The Group's approach to management of risk evolved during the Pre Transaction, Transitional Phase, and Post Transaction periods.

The Group's activities expose it to a number of non-financial risks including political risk, reputational risk and cyber risk. The Group's activities also expose it to a number of financial risks, including interest rate risk, credit risk, cash flow risk and liquidity risk. Any use of financial derivatives to manage these risks is governed by the group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

**Strategic report
for the year ended 31 December 2020 (continued)**

Exit from the European Union risk

On 31 January 2020 the UK exited the European Union and entered into a transition agreement that was in place until 31 December 2020. There is continuing risk to the Group's supply chain (including medicines and PPE) from disruption to imports in to the UK in the short term.

NHS commissioning and contract risk

The approach through which the NHS (in all three nations of the United Kingdom in which the Group operates) has planned, commissioned and funded activity in the independent sector has changed during the Covid-19 pandemic period, which has brought periods of uncertainty and interruption of patient pathways. The Group faces the risk that levels of NHS activity in the future will be affected by further changes in the NHS's approach, centrally and locally, to commissioning and funding of activity in the independent sector. The Group aims to mitigate this risk by maintaining good relationships with the NHS, nationally, regionally and locally, as well as participating in industry representative groups.

Reputational risk

Reputational risk associated with poor clinical outcomes or patient satisfaction is mitigated by the focus on providing high quality care at the Group's facilities and constantly seeking to improve clinical services through the activities of the IGC and the Quality Quartet reviews.

Price risk

The Company generally seeks to price contracts at levels that take account of potentially increasing cost pressures and, where appropriate, to establish contract terms that enable revenues to be adjusted as a result of any future increasing pricing levels. The Company is subject to pricing changes on renewal of contracts with private insurance companies. For NHS activity, the Company is a 'tariff taker' and so is subject to price impact from changes in the NHS tariff set by NHS Improvement.

Clinical risk

As with all medical providers, clinical quality risk is a major consideration. The Group has an integrated corporate governance structure which is managed by the Chief Medical Officer who also sits on the Board. This structure includes senior staff across the operational, clinical and central support teams. Each hospital site has its own local governance structure, while a team of clinical care quality specialists is dedicated to developing up to date and consistent clinical and operational 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 Group's Integrated Governance Committee (IGC). The IGC in turn provides risk assurance reports to the boards of the relevant Group companies including the Company.

Data protection and cyber risk

The Company is subject to data protection and cyber risk from cybercrime, IT systems failure and threats to data protection, including data theft. The Group manages these risks through regular meetings of its Information Governance Committee, which has accountability for quality and safety of information and technology systems, assessing risk and performance, making improvement recommendations and advising the Governance Committee and boards of BMI Healthcare and Circle. The Group also employs data protection and information security officers to oversee relevant risks, and carries out periodic testing of certain risks as part of its overall assurance programme. Further the Group has in place cyber insurance cover, covering a number of the first-party and third-party financial and reputational costs.

**Strategic report
for the year ended 31 December 2020 (continued)**

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made when there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

Cash flow and liquidity risk

In the ordinary course of business, in order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance. The Company manages liquidity risk by monitoring forecast and actual cash flows, and ensuring that adequate unutilised borrowing facilities are maintained to cover any short-term liquidity requirements.

Going concern


The Company's net assets were £94m as at 31 December 2020 (31 December 2019: £5.8m net assets). The Company's net current assets were £94m (31 December 2019: £5.8m).

Management of the Circle Group has prepared covenant and liquidity forecasts for the purpose of the Going Concern review and have also applied various sensitivities. These forecasts and sensitivities have been reviewed by the directors of the Company together with the underlying assumptions. The forecasts show that the Circle Group will comply with its financial covenant throughout the forecast period with appropriate headroom. The forecasts also show that the Circle 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 Circle 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.

Further details regarding the adoption of the Going Concern basis can be found in the Statement of accounting policies in the financial statements.

Approved by the Board of Directors and signed on behalf of the Board.



Name: Paolo Pieri
Director

Date: ²⁴ March 2022

**Directors' report
for the year ended 31 December 2020**

The directors present their report on the affairs of the Company, together with the audited financial statements and auditor's report, for the year ended 31 December 2020.

Details of events affecting the Company since the financial period end, an indication of likely future developments in the business, details of financial risk management, engagement with employees, suppliers and customers and a statement on going concern have been included in the Statement of Corporate governance arrangements which forms part of the Strategic report and therefore form part of this Directors' report by reference.

Principal activity

The Company was incorporated in the UK on 23 May 2011. It carries on the business of a private hospital group and clinical services, providing an extensive range of general and specialised medical care services to privately insured, self-pay and National Health Service (NHS) funded patients.

Dividends

The directors do not propose a dividend for the year (31 December 2019: £nil).

Directors

The directors who served throughout the year, except as noted, and subsequently, were as follows:

Paolo Pieri
Massoud Keyvan-Fauladi

Directors' and officers' insurance

The Company has procured qualifying third party indemnity insurance for all Directors and Officers of the Company and all Group companies.

Approved by the Board of Directors and signed on behalf of the Board.



Name: Paolo Pieri
Director

Date: ²⁴ March 2022

**Directors' responsibilities statement
for the year ended 31 December 2020 (continued)**

Directors' responsibilities statement

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Company (Jersey) Law, 1991. 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of comprehensive income
for the year ended 31 December 2020

	Notes	31 December 2020 £'000	31 December 2019 £'000
Dividend income	6	7,665	-
Gross profit		7,665	-
Administrative expenses		80,515	25
Operating profit		88,180	25
Profit before taxation		88,180	25
Tax on profit	7	1	-
Profit after tax		88,181	25
Total comprehensive profit for the year attributable to the owners of the Company		88,181	25

The activities of the Company are all derived from continuing operations. The notes to the financial statements form an integral part of this statement of comprehensive income.

Balance sheet
as at 31 December 2020

	Notes	31 December 2020 £'000	31 December 2019 £'000
Non current assets			
Investments	8	-	-
Current assets			
Debtors - amounts falling due within one year	9	94,017	13,850
Cash		19	3
Current liabilities			
Creditors	11	-	(7,998)
Net current assets		<u>94,036</u>	<u>5,855</u>
Total assets less current liabilities		94,036	5,855
Net assets		<u>94,036</u>	<u>5,855</u>
Capital and reserves			
Called-up share capital	12	5,014	5,014
Share premium		230,809	230,809
Other reserves		11,303	11,303
Accumulated losses		(153,090)	(241,271)
Total shareholders' funds		<u>94,036</u>	<u>5,855</u>

The financial statements were approved by the Board of Directors and authorised for issue on ²⁴ March 2022.

They were signed on its behalf by:



Name: Paolo Pieri
Director

The accompanying notes form an integral part of this balance sheet.

The Company's registered number is FC030337.

The Company's registered address is 12 Castle Street, St Helier, JE2 3RT, Jersey.

Statement of changes in equity
for the year ended 31 December 2020

	Share capital £	Share premium £	Other reserves £	Accumulated losses £	Total £
Balance as at 1 January 2019	5,014	230,809	11,303	(241,296)	5,830
Profit and total comprehensive income for the year	-	-	-	25	25
Balance as at 31 December 2019	5,014	230,809	11,303	(241,271)	5,855
Profit and total comprehensive income for the year	-	-	-	88,181	88,181
Balance as at 31 December 2020	5,014	230,809	11,303	(153,090)	94,036

**Notes to the financial statements
for the year ended 31 December 2020**

1 General information

Circle Holdings (OS) Limited (the 'Company') is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the Company's registered office is 12 Castle Street, St Helier, JE2 3RT, Jersey, Channel Islands. The Company's parent company and the Group's ultimate parent company is Circle Health Holdings Limited. The company is a private limited by shares.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 1 and the Directors' Report on page 5.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement. These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Circle Health Holdings Limited. The group accounts of Circle Health Holdings Limited are available to the public and can be obtained as set out in note 13.

2 Significant accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group accounts of Circle Health Holdings Limited.

The financial statements have been prepared on the historical cost basis, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Notes to the financial statements
for the year ended 31 December 2020 (continued)

2 Significant accounting policies (continued)

Adoption of new and revised Standards

Impact of initial application of other amendments to IFRS Standards and Interpretations

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

<p>Amendments to References to the Conceptual Framework in IFRS Standards</p>	<p>The Company has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.</p>
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The standard which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

<p>Amendments to IAS 1 and IAS 8 Definition of material</p>	<p>The Company has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.</p>
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The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

**Notes to the financial statements
for the year ended 31 December 2020 (continued)**

2 Significant accounting policies (continued)**Going concern**

The Company's net assets were £94m as at 31 December 2020 (31 December 2019: £5.8m assets). The Company's net current assets were £94m at 31 December 2020 (31 December 2019: £5.8m assets). The Company's profit after taxation for the year ended 31 December 2020 was £88.2m (31 December 2019: £25k).

As a guarantor under the Circle Group borrowing facilities, the Company's going concern assessment is carried out alongside that of the Circle Group. Management of the Circle Group have prepared covenant and liquidity forecasts for the purpose of the going concern review and have also applied various sensitivities. These forecasts and sensitivities have been reviewed by the directors of the Company together with the underlying assumptions. The forecasts show that the Circle Group will comply with its financial covenant throughout the forecast period with appropriate headroom. The forecasts also show that the Circle 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 Circle 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.

Taxation

The tax expense represents the sum of the tax currently payable and the deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Notes to the financial statements
for the year ended 31 December 2020 (continued)

2 Significant accounting policies (continued)

Deferred Tax (continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Investments

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

Financial assets and liabilities

All financial assets and liabilities are initially measured at cost. Financial assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

3 Critical accounting judgements or estimates and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the financial statements
for the year ended 31 December 2020 (continued)

4 Directors' emoluments

The directors did not receive emoluments during the year for services provided to the Company. The directors who served the Company during the year 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. These directors do not consider the time spent on dealing with the Company's matters to be material and therefore have not separated out their costs or made a recharge in respect of services to each individual company in the Group.

The amounts disclosed in the prior year were the directors' total emoluments as per their employment contracts.

5 Employees

Other than the Directors, the entity did not have any employees during the year (2019: nil).

6 Dividend income

	31 December 2020 £'000	31 December 2019 £'000
Dividend income	<u>7,665</u>	<u>-</u>

7 Tax on profit

	31 December 2020 £'000	31 December 2019 £'000
The tax credit comprises the following:		
Corporation tax at 19% (Year ended 31 December 2019: 19%)	(1)	-
- Current period	(1)	-
- Prior period	-	-
Deferred tax	-	-
- Origination and reversal of timing differences	-	-
- Adjustments in respect of prior years	-	-
- Effect of decrease in tax rate	-	-
Total tax credit on profit	<u>(1)</u>	<u>-</u>

The tax rate for the current year and prior year is 19.0%. The Finance Act 2021 has increased the rate of corporation tax to 25.0% from 1 April 2023. As this change was not substantively enacted at the balance sheet date its effect has not been included in these financial statements.

Notes to the financial statements
for the year ended 31 December 2020 (continued)

7 Tax on profit (continued)

The tax credit can be reconciled to the profit in the profit and loss account as follows:

	31 December 2020 £'000	31 December 2019 £'000
Profit before taxation	88,180	-
Tax on profit at the standard UK corporation tax rate of 19% (2019: 19%)	16,754	-
Effects of:		
- Expenses not deductible for tax purposes	(16,755)	-
Total tax credit for the year	(1)	-

Deferred Taxation

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

	31 December 2020 £'000 Tax Value	31 December 2020 £'000 Gross Value	31 December 2019 £'000 Tax Value	31 December 2019 £'000 Gross Value
Tax losses carried forward	192	1,127	180	1,059
	192	1,127	180	1,059

Notes to the financial statements
for the year ended 31 December 2020 (continued)

8 Investments

Company	31 December 2020	31 December 2019
Cost	£'000	£'000
At 1 January 2020	89,350	89,350
At 31 December 2020	<u>89,350</u>	<u>89,350</u>
Provision for impairment		
At 1 January 2020	89,350	89,350
At 31 December 2020	<u>89,350</u>	<u>89,350</u>
Net book amount at 31 December 2020	<u>-</u>	<u>-</u>

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	Nature of business	Country of incorporation	Address
Circle International Plc	Ordinary shares	Holding and management	United Kingdom	1st Floor 30 Cannon Street, London, EC4M 6XH
Health Properties Limited	Ordinary shares	Holding and management	Jersey	12 Castle Street, St. Helier, Jersey, Channel Islands, JE2 3RT
Circle Partnership Limited	Ordinary shares	Sub-holding company	British Virgin Islands	Nemours Chambers PO BOX 3170, Road Town, Tortola, Virgin Islands, British

Investments were fully impaired in prior years, and so the carrying value of the investments as at 31 December 2020 is £nil (2019: £nil).

Circle International plc is currently active. Health Properties Limited and Circle Partnership Limited have been dissolved post year end.

Notes to the financial statements
for the year ended 31 December 2020 (continued)

9 Debtors - amounts falling due within one year

	31 December 2020 £'000	31 December 2019 £'000
Amounts owed from Group undertakings	94,017	13,850
	<u>94,017</u>	<u>13,850</u>

Amounts owed by Group undertakings are a combination of interest-bearing and interest-free amounts, and are unsecured and repayable on demand.

10 Cash and cash equivalents

	31 December 2020 £'000	31 December 2019 £'000
Cash at bank and in hand	19	3
	<u>19</u>	<u>3</u>

11 Creditors - amounts falling due within one year

	31 December 2020 £'000	31 December 2019 £'000
Trade creditors	-	1
Accruals	-	14
Amounts owed to Group undertakings	-	7,983
	<u>-</u>	<u>7,998</u>

Amounts owed to Group undertakings are unsecured and repayable on demand.

12 Called up share capital

	31 December 2020 £'000	31 December 2019 £'000
Authorised		
Ordinary shares of £0.02	6,500	6,500
Convertible shares (18 months) of £0.02 each	250	250
Convertible shares (36 months) of £0.02 each	250	250
	<u>7,000</u>	<u>7,000</u>

Notes to the financial statements
for the year ended 31 December 2020 (continued)

12 Called up share capital (continued)

	Number	Number
Ordinary shares of £0.02	325,000,000	325,000,000
Convertible shares (18 months) of £0.02 each	12,500,000	12,500,000
Convertible shares (36 months) of £0.02 each	12,500,000	12,500,000
	<u>350,000,000</u>	<u>350,000,000</u>

Allotted and fully paid up

	Shares (number)	Called up capital £'000	Share premium £'000	Other reserves £'000	Total £'000
Ordinary shares:					
At 1 January 2019	250,702,369	5,014	230,809	11,303	247,126
At 31 December 2019	<u>250,702,369</u>	<u>5,014</u>	<u>230,809</u>	<u>11,303</u>	<u>247,126</u>
At 31 December 2020	<u>250,702,369</u>	<u>5,014</u>	<u>230,809</u>	<u>11,303</u>	<u>247,126</u>

13 Controlling party

The Company is a subsidiary undertaking of Circle Health 2 Limited.

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.

As a subsidiary undertaking of Circle Health 2 Limited at the balance sheet date, the Company has taken advantage of the exemption in FRS 101 from disclosing transactions with other members of the group headed by Circle Health Holdings Limited.

In July 2021, there was a change in ownership, resulting in the controlling party of the Company being MH Services International (UK) Limited, with the ultimate parent being Centene Corporation.

The directors consider that the company has no single controlling party.

14 Events after the reporting period

There were no events after the balance sheet date that have materially impacted upon the financial statements of the company.