Company registered number: 04252401

Bishopswood SPV Limited

Report and Financial Statements
for the year ended 31 December 2022

Bishopswood SPV Limited

Report and Financial Statements
Contents

Bishopswood SPV Limited

Directors' report
for the year ended 31 December 2022

The directors present their report on the affairs of Bishopswood SPV Limited ("the Company"), together with the financial statements, for the year ended 31 December 2022.

Principal activity

The Company owns the beneficial rights of the lease on the land and buildings of the Bishopswood Hospital. This property is sub-let to a group undertaking.

Review of business performance and future developments

The principle financial KPIs for the Company are revenue and profit before tax, which are presented in these financial statements.

The Company's loss before taxation for the year ended 31 December 2022 was £0.3 million (31 December 2021: £0.8 million). Revenue for the year ended 31 December 2022 was £1.6 million (31 December 2021: £1.6 million).

Outlook

The Circle Group's large hospital network, capacity and geographical footprint, including its intensive care facilities, means that the Company is well placed to serve diagnostic, surgical and other treatment demand from patients, on private pay and NHS pathways. This demand may however be disrupted in the event of resurgence of the pandemic, including amongst other things through higher levels of patient cancellations. The cost of providing care has increased as a result of the pandemic with considerable pressure on clinical staffing availability and costs.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks, including credit risk, cash flow risk and liquidity risk. Any use of financial derivatives to manage these risks is governed by the groups 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.

Credit risk

The Company's financial assets and liabilities are managed as part of the Circle Group's overall credit with management policies and procedures. The Company's principle financial assets are trade and other receivables.

The Company's credit risk is primarily attributable to its amounts due to group entities. 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

The Company's cash flows and liquidity are managed as part of the Circle Group's overall treasury operations. 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 Circle Group uses a mixture of long-term and short-term debt facilities. The Circle Group 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.

Inflation risk

Given the global economic conditions, and political uncertainty in Europe, there is an increased risk of higher levels of inflation, particularly in energy costs, with consequent additional pressure on staff costs. The impact on the Circle Group may be an increase in direct costs for goods and services, for which not all can be covered by increased pricing. To mitigate this risk, where possible, the Company enters into long term purchase agreements to protect and limit against the full effect of cost inflation. The large majority of the Group's leases include a cap on the annual increases. Further, customer prices are being reasonably increased where possible to reflect the increase in costs.

Interest rate risk

The Bank of England's Monetary Policy Committee has announced a series of interest rate rises during 2022 and 2023 to date. Interest on the Circle Group's £250 million revolving credit facility is variable based on the Sterling Overnight Index Average rate (SONIA) and so has exposed to changes in UK interest rates. The current drawn amount under the facility is £150 million, and a 100 basis point increase in SONIA would result in a £1.5 million increase in the Circle Group's annual interest cost.

Dividends

The directors do not propose a dividend for the year (2021: £nil).

Events after the balance sheet date

Detailed in note 16 of these financial statements are the material events the Directors are aware of which took place after the reporting date and up to the date of the Directors' Report.

Directors

The directors who served throughout the year, except as noted, and subsequently are as shown below:

Henry Davies
Karen Prins

Directors' and officers' insurance

The Company has directors' and officers' insurance for the benefit of, amongst others, the directors of the Company, which is in place at the date of this report.

Going concern

The Company's net liabilities were £14.1 million as at 31 December 2022 (2021: net liabilities of £13.8 million). The Company's net current assets were £0.6 million (2021: £0.6 million).

Management of the Circle Group has prepared 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 Group has sufficient cash and facilities to provide liquidity through the review period for both the Circle Group and the Company.

The Circle Group's senior facilities are guaranteed by the Company's ultimate parent company, Centene Corporation, and financial covenants for the facilities are measured at that level. The directors of the Company have reviewed covenant compliance, and forecast performance for Centene Corporation, which indicate that these covenants will be complied with throughout the forecast period with appropriate headroom.

The directors have received a letter of support from a fellow group undertaking confirming that it provide financial support to the Company to allow it to meet its financial obligations as they fall due for a period of no less than twelve months from the date of the approval of the financial statements, while both companies remain part of the Circle Group.

On 28 August 2023, it was announced that a definitive agreement had been signed whereby PureHealth (a major healthcare operator based in the Middle East, with a range of international healthcare investments) will acquire Circle Health Holdings Limited and its subsidiary undertakings from Centene Corporation with the transaction expected to close in the first quarter of 2024. The directors have considered the future financing arrangements for the Circle Group proposed by PureHealth and are satisfied that, on completion of the transaction, these will provide adequate funding and liquidity for the Circle Group with appropriate headroom.

After making enquiries, including reviewing the forecasts and sensitivities, the directors have concluded that they have a reasonable expectation that the Company has adequate resources available to it, 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 notes to in the financial statements.

Small companies exemption

The Company has taken the exemption from the requirement to prepare a strategic report as the Company is entitled to the small companies exemption, as outlined in S414A(2) and S414B.

Energy and carbon reporting

The Company has taken advantage of the disclosure exemptions available in relation to energy and carbon reporting. Equivalent disclosures are given in the group accounts of Circle Health Holdings Limited.

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

Name: Henry Davies
Director

Date: 1 December 2023

Bishopswood SPV Limited

Directors' responsibilities statement
for the year ended 31 December 2022 (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 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.

Statement of comprehensive income
for the year ended 31 December 2022

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Turnover	4	1,634,614	1,634,614
Gross profit		1,634,614	1,634.614
Administrative expenses		(36,406)	(183,461)
Operating profit		1,598,208	1,451,153
Interest payable and other expenses	5	(1,608,129)	(1,601.424)
Impairment charge	6	(327,588)	(631,321)
Loss before taxation	6	(337,509)	(781,592)
Tax credit on loss	7	63,225	153,643
Loss after tax		(274,284)	(627.949)
Total comprehensive loss for the year attributable to the owners of the Company		(274,284)	(627,949)

The above amounts are derived from continuing operations.

The notes to the financial statements form an integral part of the Statement of comprehensive income.

Bishopswood SPV Limited

Balance sheet
as at 31 December 2022

	Notes	31 December 2022 £	31 December 2021 £
Fixed assets			
Investment property	8	**11,610,504**	11,974,497
Current assets			
Deferred tax asset	9	**18,059**	21,815
Debtors - amounts falling due within one year	10	**652,150**	585,171
Cash		**1**	1
Current liabilities			
Lease liabilities - amounts falling due within than one year	11	**(30,517)**	(26,485)
Net current assets		**639,693**	580,502
Total assets less current liabilities		**12,250,197**	12,554,999
Non-current liabilities			
Lease liabilities - amounts falling due after more than one year	12	**(26,309,278)**	(26,339,796)
Net liabilities		**(14,059,081)**	(13,784,797)
Capital and reserves			
Called-up share capital	13	**1**	1
Profit and loss account		**(14,059,082)**	(13,784,798)
Total shareholder's deficit		**(14,059,081)**	(13,784,797)

For the financial year ended 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.
The directors acknowledge their responsibilities for complying with the requirements of the Company Act 2006 with respect to accounting records and the preparation of financial statements.
The member has not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The financial statements were approved by the Board of Directors and authorised for issue on .1.December......... 2023.

They were signed on its behalf by:

Henry Davies
Director
Date: ..1.December. 2023

The accompanying notes 1-16 form an integral part of this balance sheet.
The Company's registered number is 04252401.
The Company's registered address is 1st Floor 30 Cannon Street, London, EC4M 6XH, England.

Statement of changes in equity
for the year ended 31 December 2022

	Share capital	Profit and loss account	Total
	£	£	£
Balance as at 31 December 2020	**1**	**(13,156,849)**	**(13,156,848)**
Loss and total comprehensive profit for the year	-	(627,949)	**(627,949)**
Balance as at 31 December 2021	**1**	**(13,784,798)**	**(13,784,797)**
Loss and total comprehensive profit for the year	-	(274,284)	**(274,284)**
Balance as at 31 December 2022	**1**	**(14,059,082)**	**(14,059,081)**

1 General information

Bishopswood SPV 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 1st Floor 30 Cannon Street, London, England, EC4M 6XH, United Kingdom.

The nature of the Company's operations and its principal activities are set out in the the Directors' Report on pages 1 to 3.

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

2 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 consolidated financial statements of the ultimate parent company, Circle Health Holdings Limited, within which the Company's results are included are available to the public and can be obtained as set out in note 16

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

Adoption of new and revised Standards

There are no new or revised standards that are applicable to the Company in the year.

Going concern

The Company's net liabilities were £14.1 million as at 31 December 2021 (2021: net liabilities of £13.8 million) The Company's net current assets were £0.6 million at 31 December 2021 (2021: £0.6 million). The Company's loss after taxation for the year ended 31 December 2021 was £0.3 million (2021. £0.6 million profit).

Management of the Circle Group has prepared 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 Group has sufficient cash and facilities to provide liquidity through the review period.

The Group's senior facilities are guaranteed by the Company's ultimate parent company, Centene Corporation, and financial covenants for the facilities are measured at that level. Therefore, the directors of the Company have reviewed the covenant compliance reporting and the forecast financial performance. The covenant reporting shows that the covenants have been complied with throughout the period and the forecast financial performance indicates that they will be complied with throughout the forecast period with appropriate headroom.

The directors have received a letter of support from a fellow group undertaking confirming that it provide financial support to the Company to allow it to meet its financial obligations as they fall due for a period of no less than twelve months from the date of the approval of the financial statements, while both companies remain part of the Circle Group.

On 28 August 2023, it was announced that a definitive agreement had been signed whereby PureHealth (a major healthcare operator based in the Middle East, with a range of international healthcare investments) will acquire Circle Health Holdings Limited and its subsidiary undertakings from Centene Corporation with the transaction expected to close in the first quarter of 2024. The directors have considered the future financing arrangements for the Circle Group proposed by PureHealth and are satisfied that, on completion of the transaction, these will provide adequate funding and liquidity for the Circle Group with appropriate headroom.

2 Accounting policies (continued)

Going concern (continued)

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, and at least for 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Revenue recognition

Company revenue comprises income from the rental of medical buildings in the normal course of business net of all refunds, allowances and value added tax. Rental income is fixed and is therefore recognised during the period to which the lease relates.

Leases

The Company has applied IFRS 16 using the cumulative catch-up approach. First year of implementation was year ended 31 March 2020. The details of accounting policies under IFRS 16 are presented below.

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee,

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable,
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options, and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the balance sheet

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The current year was the third year since initial application The Company did not have such adjustments resulting in modifications

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Bishopswood SPV Limited

Notes to the financial statements
for the year ended 31 December 2022 (continued)

2 Accounting policies (continued)

The Company as lessee (continued)

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within the investment property line in the balance sheet

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'impairment of tangible and intangible assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the other operating expenditure line item (see note 15).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company as lessor

The Company enters into lease agreements as a lessor with respect leased properties where the Company sub-leases to another group company.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. All leases whereby the company is a lessor have been classified as operating leases, this is consistent with prior year.

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Where a contract may include both lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

2 Accounting policies (continued)

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.

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 period

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.

2 Accounting policies (continued)

Investment property

The Company has taken the choice to adopt the cost model as allowed under IAS 40 Investment Properties. The cost model is specified in IAS 16 and requires an investment property to be measured after initial measurement at depreciated cost (less any accumulated impairment losses).

Investment properties are shown at cost net of depreciation and any provision for impairment. Investment properties are considered for impairment if there is any reason to believe that impairment may be necessary. Factors taken into consideration include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of the unit. Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows is computed using an appropriate discount rate to determine the value in use.

Where appropriate, the fair value of assets less cost to sell is used in the impairment assessment. For property assets, this is determined using an estimate of fair market value taking into account advice from external professional valuers. Key judgements in determining the fair market value include the fair market rental amount and the effective yield The higher of fair value less costs to sell or value in use is compared to the current asset (or related cash generating unit) carrying value and, if lower, the assets are impaired to that value.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Investment property	50 years

No depreciation is provided on freehold land.

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 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.

Impairment of assets
Investment property is considered for impairment if there is any reason to believe that impairment may be necessary, based on the judgement of management. The investment property is tested for impairment, if any indicators of impairment exist.

At 31 December 2022, investment property was considered for impairment The Company assessed the recoverable property value with respect to the sub-lease in place for that property.

Key estimates included in this assessment are the discount rate. From a sensitivity analysis, a +/- 1% change in the discount rate applied would result in +/- £0.6m.

4 Turnover

Turnover arises from continuing operations entirely in the UK and relates to rental income amounting to £1.6m (2021: £1.6m)

5 Interest payable and similar charges

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Interest expense on lease liabilities	**1,608,129**	1,601,424

6 Loss before taxation

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Loss before taxation is stated after crediting/(charging):		
Depreciation expense on investment property	**(36,406)**	(183,461)
Fixed asset impairment charge	**(327,588)**	(631,321)
Interest expense on lease liabilities	**(1,608,129)**	(1,601,424)

There were no employees of the Company and the directors received no emoluments for services to the Company in either year.

There was no audit of the company's accounts for the year and accordingly there was no audit fee. The audit fee for the prior period was nil.

7 Tax on loss

	Year ended 31 December 2022	**Year ended 31 December 2021**
	£	**£**
The tax credit is based on the loss for the year and comprises:		
Corporation tax at 19% (year ended 31 December 2021: 19%)	**(66,981)**	(151,879)
- Current period	**(66,981)**	(151,974)
- Prior period	-	95
Deferred tax	**3,756**	(1,764)
- Origination and reversal of timing differences	**2,855**	3,472
- Adjustments in respect of prior years	-	-
- Effect of decrease in tax rate	**901**	(5,236)
Total tax on loss	**(63,225)**	(153,643)

The tax rate for the current year and prior year is 19.0%. The Finance Act 2021, enacted on 10 June 2021, included an increase in the rate of corporation tax to 25% from 1 April 2023. As this change was substantively enacted at the balance sheet date its effect has been included in these financial statements.

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

	Year ended 31 December 2022	**Year ended 31 December 2021**
	£	**£**
Loss before taxation	**(337,509)**	(781,592)
Tax on loss at the standard UK corporation tax rate of 19% (year ended 31 December 2021: 19%)	**(64,127)**	(148,502)
Effects of:		
- Expenses not deductible for tax purposes	-	-
- Effects of tax rate change on timing differences	**901**	(5,236)
- Adjustment to tax charge in respect of previous years	-	95
Total tax (credit)/charge for period	**(63,225)**	(153,643)

8 Investment property

	Leasehold buildings £
Cost	
At 1 January and 31 December 2022	**29,224,154**
Accumulated depreciation and impairment	
At 1 January 2022	(17,249,656)
Depreciation charge	(36,406)
Impairment charge	(327,588)
At 31 December 2022	**(17,613,650)**
Carrying amount	
At 31 December 2022	**11,610,504**
At 1 January 2022	11,974,498

The Company holds one property lease. The remaining lease term is 68 years.

Operating lease payments represent rentals payable by the Company for the payment of ground rent on the land The lease term is to March 2090 and increases in line with RPI annually.

Impairment tests were performed using the recoverable amounts of the assets' cash-generating unit. The discount rate used in measuring value in use was 8.35% per annum (pre-tax) (2021. 8.38%) The Company also estimated the fair value less costs of disposal of these assets, which is based on the recent market prices of assets with similar age and type. The review led to an impairment charge of of £0 3 million (2021. charge of £0.6 million) which has been recognised in profit or loss.

9 Deferred tax asset

	31 December 2022 £ Accelerated capital allowances	31 December 2021 £ Accelerated capital allowances
Beginning of the year	**21,815**	20,051
Charge to profit and loss account	**(2,855)**	(3,471)
Effect of change in tax rate		
- income statement	**(901)**	5,236
End of the year	**18,059**	21,815

At the balance sheet date the Company had an unrecognised deferred tax asset on tax losses of £3,336,000 (2021: £3,336,000)

Notes to the financial statements
for the year ended 31 December 2022 (continued)

10 Debtors - amounts falling due within one year

	31 December 2022 £	31 December 2021 £
Accrued revenue	**428,969**	428,969
Amounts due from group companies	**223,181**	156,202
	652,150	585,171

The amounts owed by group undertakings are unsecured, interest free and repayable on demand.

11 Creditors - amounts falling due within one year

	31 December 2022 £	31 December 2021 £
Lease liabilities	**30,517**	26,485
	30,517	26,485

12 Creditors - amounts falling after one year

	31 December 2022 £	31 December 2021 £
Lease liabilities	**26,309,278**	26,339,796

Analysis of lease liabilities	31 December 2022 £	31 December 2021 £
Amount due for settlement:		
Between one and five years	**131,491**	123,709
After five years	**26,177,787**	26,216,086
	26,309,278	26,339,796
On demand or within one year	**30,517**	26,485
	26,339,796	**26,366,280**

The total cash outflow related to leases during the year totals £3,242,744 (2021: £3,236,038)

13 Share capital

Called up share capital	31 December 2022	31 December 2021
	£	£
Authorised:		
100 ordinary shares of £1 each	**100**	100
Allotted, called-up and fully paid:		
One ordinary share of £1	**1**	1

14 Operating lease arrangements

The Company as lessor

Operating leases, in which the Company is the lessor, relate to investment property owned by the Company with a remaining lease terms of 68 years.

Maturity analysis of operating lease receipts:

	31 December 2022	31 December 2021
	£	£
Year 1	**1,634,614**	1,634,614
Year 2	**1,634,614**	1,634,614
Year 3	**1,634,614**	1,634,614
Year 4	**1,634,614**	1,634,614
Year 5	**1,634,614**	1,634,614
Year 6 and onwards	**101,346,084**	102,980,698
Total	**109,519,155**	111,153,769

15 Controlling party

The Directors regard CHG Intermediate Holdings Limited, a company registered in England and Wales, as the Company's immediate parent undertaking. Circle Health Holdings Limited, a company registered in England and Wales, is the parent undertaking of the smallest 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.

The directors regard Centene Corporation, as the Company's ultimate parent undertaking and controlling party. Centene Corporation is the parent undertaking of the largest group for which consolidated financial statements are prepared that include the financial statements of the Company. Centene Corporation is a publicly traded company incorporated in the United States of America. Centene Corporation's registered address is 7700 Forsyth Blvd., St. Louis, MO 63105.

16 Events after the reporting period

On 28 August 2023, it was announced that a definitive agreement had been signed whereby PureHealth will acquire Circle Health Group from Centene Corporation with the transaction expected to close in the first quarter of 2024. The directors do not believe that this transaction has any material impact on the balances recorded or the disclosures presented in these financial statements. At the date of signing the ultimate controlling party remains unchanged, being Centene Corporation.