

Registered no: 04835960

**Nations Healthcare (North Bradford)
Limited
Annual report and financial statements
For the year ended 31 December 2011**

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Nations Healthcare (North Bradford) Limited

Annual report and financial statements

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Nations Healthcare (North Bradford) Limited

Company Information

Director

Paolo Pieri

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

Nations Healthcare (North Bradford) Limited

Director's report for the year ended 31 December 2011

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

Principal activity and review of the business

The activities of the business have now terminated and there are no longer any activities in the business.

Future developments

As outlined above, the activities have now ceased.

Results and dividends

The loss for the year after taxation amounted to £2,000 (2010 profit of £715,000). The Director does not recommend the payment of any dividends (2010 £nil).

Principal risks and uncertainties

Since the operations have now ceased, there are few risks and uncertainties remaining. The main risk facing the Company is funding. In this regard, the Company is reliant on its ultimate parent undertaking for financial support.

Going concern

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

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

Nations Healthcare (North Bradford) Limited

Director's report for the year ended 31 December 2011

Going concern (continued)

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

Events after the balance sheet date

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

Directors

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

Tim Collins	(resigned 1 October 2011)
Paolo Pieri	(appointed 1 October 2011)

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. Such qualifying third party indemnity provisions remain in force until resignation as Directors. There are no outstanding claims or provisions as at the balance sheet date.

Donations

The Company did not make any charitable donations during the year (2010: £nil), nor was any donation made in either year to any political party registered in the UK under the Political Parties, Elections and Referendums Act 2000 by the Company.

Statement of Director's responsibilities

The Director is responsible for preparing the Annual 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 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 Director is required to

Nations Healthcare (North Bradford) Limited

Director's report for the year ended 31 December 2011

Statement of Director's responsibilities (continued)

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

The Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

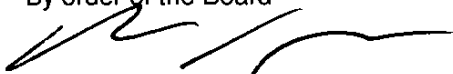
So far as the Director in office at the date of approval of these financial statements is aware

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

Independent auditors

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

By order of the Board



Director

23 July 2012

Nations Healthcare (North Bradford) Limited

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

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Director's responsibilities set out on pages 3 and 4, the Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

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

Nations Healthcare (North Bradford) Limited

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Nigel Reynolds (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 2012

Nations Healthcare (North Bradford) Limited

Profit and loss account for the year ended 31 December 2011

	Note	2011 £'000 Discontinued operations	2010 £'000 Discontinued operations
Turnover	2	-	5,424
Cost of sales		-	(2,930)
Gross profit		-	2,494
Administrative expenses		(2)	(1,805)
Other operating income		-	219
Operating (loss) / profit	4	(2)	908
Loss on sale of fixed assets		-	(193)
(Loss) / profit on ordinary activities before taxation		(2)	715
Tax on (loss) / profit on ordinary activities	7	-	-
(Loss) / profit for the financial year	12	(2)	715

Since the activities ceased permanently during 2010, the operations have been classified as discontinued in both the current and previous years with results being classified under the heading 'Discontinued 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) / profit on ordinary activities before taxation and the (loss) / profit for the financial years stated above (2010 no difference) and their historical cost equivalents

Nations Healthcare (North Bradford) Limited

Balance sheet as at 31 December 2011

	Note	2011 £'000	2010 £'000
Current assets			
Debtors	8	-	1,007
Cash at bank and in hand	9	-	85
		<u>-</u>	<u>1,092</u>
Creditors - amounts falling due within one year	10	(3,442)	(4,532)
		<u>(3,442)</u>	<u>(3,440)</u>
Net current liabilities		(3,442)	(3,440)
Total assets less current liabilities		(3,442)	(3,440)
		<u>(3,442)</u>	<u>(3,440)</u>
Net liabilities		(3,442)	(3,440)
		<u>(3,442)</u>	<u>(3,440)</u>
Capital and reserves			
Called up share capital	11	150	150
Profit and loss account	12	(3,592)	(3,590)
		<u>(3,442)</u>	<u>(3,440)</u>
Total shareholders' deficit	13	(3,442)	(3,440)
		<u>(3,442)</u>	<u>(3,440)</u>

The financial statements on pages 7 to 17 were approved by the Board on 23 July 2012 and were signed on its behalf by



Director
Nations Healthcare (North Bradford) Limited

Registered no: 04835960

Nations Healthcare (North Bradford) Limited

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

1 Accounting policies

Basis of preparation

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

Going concern

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

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

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

Discontinued operations

In accordance with FRS 3 'Reporting Financial Performance', an operation is classified as discontinued when it meets all the following criteria:

- The sale or termination is completed in the period and, if a termination, the activities have ceased permanently,
- The sale or termination has a material effect on the nature of the Company's operations,
- The assets, liabilities and results of operations are clearly distinguishable, both operationally and financially for financial reporting purposes.

When an operation is classified as discontinued, its results until the date of closure or sale are reported in the normal profit and loss account captions, but under a heading for 'discontinued operations'. Any profits or losses as a result of the closure or sale are reported as an exceptional item after operating profit or loss.

Nations Healthcare (North Bradford) Limited

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

1 Accounting policies

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 intermediate parent, Circle Health Limited, publishes consolidated financial statements

Related party transactions

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

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

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

Cash at bank and in hand

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

Trade creditors

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

Deferred taxation

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

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

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

Nations Healthcare (North Bradford) Limited

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

1 Accounting policies (continued)

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 and is measured at the fair value of the consideration received, for activity performed. Revenue from the provision of medical services is recognised once the patient has been discharged, subject to certain claw-back clauses included within the PCT contracts which require an element of the revenue to be deferred until certain contractual obligations have been met or on cessation of the contract.

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.

2 Turnover

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

3 Discontinued operations

The 5 year contract to run the North Bradford Treatment Centre came to an end in June 2010 and the contractual arrangements were wound down.

Since the activities of the Company have ceased permanently, the operation has been classified as discontinued in both the current and previous years, with the results being classified under the heading 'discontinued operations'.

Nations Healthcare (North Bradford) Limited

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

4 Operating (loss) / profit

Operating (loss) / profit is stated after charging	2011 £'000	2010 £'000
Depreciation of tangible fixed assets	-	40
Amortisation of pre contract costs	-	60
Refund of buildings and contents insurance	(18)	-
Operating lease charges		
- plant and machinery	10	391
- other	-	83
	<u>10</u>	<u>434</u>

The auditors' remuneration of £2,500 payable to PricewaterhouseCoopers LLP (2010 £18,000) in relation to the provision of audit services was borne by Circle Health Limited, an intermediate parent of the Company

5 Employee Information

Staff costs were as follows	2011 £'000	2010 £'000
Wages and salaries	-	487
Social security costs	-	43
Other pension costs (note 15)	-	18
	<u>-</u>	<u>548</u>

During 2010, salaries and wages were paid by the Company's immediate parent, Nations Healthcare Limited and recharged at cost to the Company

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

	2011 Number	2010 Number
Clinical staff	-	13
Administrative staff	1	14
	<u>1</u>	<u>27</u>

6 Directors' emoluments

	2011 £'000	2010 £'000
Aggregate emoluments	<u>110</u>	<u>100</u>

Nations Healthcare (North Bradford) Limited

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

6 Directors' emoluments (continued)

The Directors of the Company are also 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, pro-rated for their period of service.

Directors' emoluments in 2011 and 2010 were paid and expensed in Circle Health Limited and Nations Healthcare Limited.

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

7 Tax on (loss) / profit on ordinary activities

(a) Tax on (loss) / profit on ordinary activities

The tax charge is made up as follows

	2011 £'000	2010 £'000
Current tax		
UK corporation tax at 26.5% (2010: 28.0%)	-	-
Deferred tax		
Origination and reversal timing differences	-	-
Tax on (loss) / profit on ordinary activities	<u>-</u>	<u>-</u>

(b) Factors affecting current tax for the year

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

Nations Healthcare (North Bradford) Limited

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

7 Tax on (loss) / profit on ordinary activities (continued)

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

	2011 £'000	2010 £'000
(Loss) / profit on ordinary activities before taxation	(2)	715
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 28.0%)	(1)	200
Effects of		
Expenses not deductible for tax purposes	1	1,072
Depreciation in excess of capital allowances	-	(31)
Utilisation of brought forward tax losses	-	(1,241)
Current tax charge for the year	-	-

(c) Factors affecting future tax charges

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

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

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

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

(d) Deferred taxation

The Company has ceased trading and therefore there is no deferred tax arising.

Nations Healthcare (North Bradford) Limited

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

8 Debtors

	2011 £'000	2010 £'000
Amounts owed by group undertakings	-	1,007
	<u>-</u>	<u>1,007</u>

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand

9 Cash at bank and in hand

	2011 £'000	2010 £'000
Cash at bank and in hand	-	85
	<u>-</u>	<u>85</u>

10 Creditors – amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	57	158
Amounts owed to group undertakings	3,385	4,374
	<u>3,442</u>	<u>4,532</u>

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

Nations Healthcare (North Bradford) Limited

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

11 Called up share capital

	2011 £'000	2010 £'000
Authorised		
150,000 (2010 150,000) ordinary shares of £1 each	<u>150</u>	<u>150</u>
Allotted and fully paid		
150,000 (2010 150,000) ordinary shares of £1 each	<u>150</u>	<u>150</u>

12 Profit and loss account

	Profit and loss account £'000
At 1 January 2011	(3,590)
Loss for the financial year	<u>(2)</u>
At 31 December 2011	<u>(3,592)</u>

13 Reconciliation of movement in shareholders' funds

	2011 £'000	2010 £'000
Opening shareholders' funds	(3,440)	(4,155)
(Loss) / profit for the financial year	<u>(2)</u>	<u>715</u>
Closing shareholders' funds	<u>(3,442)</u>	<u>(3,440)</u>

14 Capital commitments

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

15 Pension commitments

The Company participated 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 £nil (2010 £18,000). There were no outstanding or prepaid contributions as at 31 December 2011 (2010 £nil).

Nations Healthcare (North Bradford) Limited

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

16 Related party transactions

The Company has taken advantage of the exemptions conferred by FRS 8 'Related Party Disclosures' from the requirement to make disclosures concerning transactions with members of wholly owned group companies. There were no other related party transactions.

17 Events after the balance sheet date

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

18 Ultimate parent undertaking and controlling party

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

Circle Holdings plc is the parent company of the largest group for which consolidated financial statements are prepared that include the financial statements of the Company. Copies of the group financial statements for Circle Holdings plc may be obtained from 12 Castle Street, St Helier, JE2 3RT, Jersey.

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