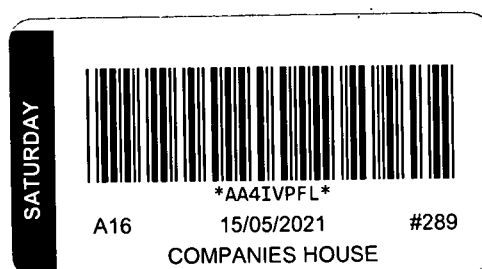


Company registered number: 12108431

Circle Health 3 Limited

**Report and financial statements
for the period from incorporation to 31 December 2020**



Circle Health 3 Limited

Annual report and financial statements

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**Strategic report
for the period from incorporation to 31 December 2020**

The directors present their Strategic report on the affairs of Circle Health 3 Limited ("the Company") for the period ended 31 December 2020. The Company's ultimate parent company is Circle Health Holdings Limited ("Circle"). During the period, 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").

The Company was incorporated in the United Kingdom on 17 July 2019 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.

This is the first financial statement prepared for Circle Health 3 Limited and it covers a 17 month period from incorporation, 17 July 2019, to 31 December 2020.

As at 31 December 2020, the Company is a guarantor to the lending banks under the banking senior facilities agreement ("SFA") of the Circle Group.

Review of business performance

The directors do not consider it necessary to include any further key performance indicators, other than the financial position and the current period results shown below, in order to understand the business. The directors expect that the present level of activity will be sustained for foreseeable future.

Result

The Company's result for the period ended 31 December 2020 was £nil. During the period the directors did not pay a dividend.

Financial position

The Company's balance sheet as at 31 December 2020 showed equity of £1 and total assets of £nil.

Covid-19 pandemic

Since December 2020, the Group has been working with the NHS in England, Scotland and Wales to support them in the provision of healthcare to patients across the country and the Group's hospitals have remained open throughout. 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. Between April and December over four hundred thousand NHS patients attended the Group's hospitals.

Since the start of 2021, the Group has provided increased support to the NHS as the UK has experienced increased pressure on hospital services. This has included treatment cancer and cardiac patients along with increased provision of ITU services.

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.

Strategic report

for the period from incorporation to 31 December 2020 (continued)

Future developments

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

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") has increased costs in the period since March 2020 and this is expected to continue in the short term as a necessary cost to keep our patients and staff safe.

The Group has continued access to capital to continue the investment in the hospitals as well as developing new services to achieve 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.

As the role of the Company within the Group Structure is that of a holding company, it is deemed that it is not exposed to any principal risks and uncertainties, both financial and non-financial.

Exit from the European Union risk

On 31 December 2020 the UK and the European Union entered into new arrangements following the transition agreement ending on 31 December 2020. The Directors do not consider the new arrangements to have a significant impact on the business however they continue to monitor the new rules in place from 1 January 2021.

Credit risk

The Company's principal financial assets are investments and receivables due from other group companies. The Company's credit risk is primarily attributable to these. The amounts presented in the balance sheet are net of any provisions made against these balances. The Company has some liquidity risk arising from loans payable to other group companies.

Cash flow and liquidity risk

The Group, on behalf of 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.

Strategic report
for the period from incorporation to 31 December 2020 (continued)

Going concern

The Company's net assets were £1 as at 31 December 2020. The Company's net current assets were £1.

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.

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 on 11 May 2021 and signed on behalf of the Board:



Director: Henry Davies

Date: 11 May 2021

**Directors' report
for the period from incorporation to 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 period ended 31 December 2020.

Details of events affecting the Company since the financial period end, financial risk management, dividends and a statement on going concern have been included in the Strategic report and form part of this Directors' report by reference.

Principal activity

The Company is a holding company which provides healthcare services through its subsidiary undertakings. The directors expect that the present level of activity will be sustained for the foreseeable future.

Directors

The directors who served throughout the period, and subsequently, are as shown below:

Henry Davies - appointed 23 October 2020
Paolo Pieri - appointed 28 November 2019
Paul Barron - resigned 28 November 2019
Benjamin Lloyd - resigned 23 October 2020
John Pentland - resigned 28 November 2019

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.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor of the Company. The directors will propose a resolution concerning the future appointment of an auditor at the next appropriate Board meeting.

Directors' report
for the period from incorporation to 31 December 2020 (continued)

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

A handwritten signature in black ink, appearing to read 'Henry Davies', written over a horizontal line.

Director: Henry Davies

Date: 11 May 2021

**Directors' responsibilities statement
for the period ended 31 December 2020**

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 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 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.

**Independent auditor's report
to the members of Circle Health 3 Limited**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Circle Health 3 Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its result for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**Independent auditor's report
to the members of Circle Health 3 Limited (continued)**

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Independent auditor's report
to the members of Circle Health 3 Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jason Partington FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date: 11 May 2021

Balance sheet
as at 31 December 2020

	Notes	2020 £'000
Fixed assets		
Investments	5	-
Current assets		
Debtors	6	107,607
Creditors: amounts falling due within one year	7	(107,607)
Net current assets		-
Total assets less current liabilities		-
Net assets		-
Capital and reserves		
Called up share capital	8	-
Share premium	8	-
Retained earnings		-
Total shareholders' funds		-

The company did not trade during the current period and has made neither profit nor loss, nor any other recognised gain or loss.

The financial statements of Circle Health 3 Limited were approved by the board of directors and authorised for issue on 11 May 2021.

They were signed on its behalf by:



Director: Henry Davies
Date: 11 May 2021

The accompanying notes form part of these financial statements.

The company's registered number is 12108431.

The company's registered address is 1st Floor, 30 Cannon Street, London, EC4M 6XH, England.

Statement of changes in equity
for the period from incorporation to 31 December 2020

	Note	Called up share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Result for the period		-	-	-	-
Share issue	8	-	-	-	-
Balance as at 31 December 2020		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the financial statements for the period from incorporation to 31 December 2020

1 General Information

Circle Health 3 Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is 1st Floor 30 Cannon Street, London, EC4M 6XH, England, United Kingdom.

The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 3 and the Directors' Report on pages 4 and 5.

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

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 9.

2 Significant accounting policies

The principal accounting policies are summarised below, which have all been applied consistently through the period.

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 Hospital Topco Limited.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties, financial instruments and investment property that are measured at revalued amounts or fair values at the end of each reporting period, 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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Going concern

The financial statements have been prepared using the going concern basis of accounting.

The Company's net assets were £1 as at 31 December 2020. The Company's net current assets were £1.

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 of the directors of the Group and reviewing their forecasts and having considered the Company's financial position, the directors of the Company have concluded that they have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment. The investments 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. The impairment loss is measured as difference between an investment's carrying amount and best estimate of the recoverable amount.

Notes to the financial statements
for the period from incorporation to 31 December 2020 (continued)

2 Significant accounting policies (continued)

Taxation

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

Current tax

The tax currently payable is based on taxable profit for the period. 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 periods 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 goodwill or from the initial recognition (other than in a business combination) 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.

Financial instruments

The accounting policies with reference to financial instruments below reflect IFRS 9.

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

(a) Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value.

All financial assets, other than cash and cash equivalents and derivatives, are classified as "loans and receivables".

Under IFRS 9, the business model under which each portfolio of trade receivables held, has been assessed. The Company holds loans and receivable in order to collect the contractual cash flows and is therefore measured at amortised cost.

Notes to the financial statements
for the period from incorporation to 31 December 2020 (continued)

2 Significant accounting policies (continued)

Financial Instruments (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. The impairment model under IFRS 9 reflects expected credit losses, as opposed to only incurred credit losses under IAS 39.

For trade receivables, the Company uses the simplified approach under IFRS 9 to recognise lifetime expected credit losses.

For trade receivables, the Company recognises a loss allowance for expected credit losses at amount equal to the lifetime expected credit loss. This is recorded through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Aside from trade receivables, the carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(b) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss (FVTPL) or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Notes to the financial statements
for the period from incorporation to 31 December 2020 (continued)

2 Significant accounting policies (continued)

Financial instruments (continued)

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, judgements, estimates and assumptions are required to be made 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.

There are no significant critical judgements or estimates that have been made in the process of applying the Company's accounting policies in the financial statements.

4 Result for the period

There were no employees of the Company in the period, and the directors did not receive emoluments during the period.

The audit fees of £5,000 for the audit of the Company's accounts were borne by another group undertaking during the period and prior period (period ended 31 March 2020: £nil).

5 Fixed asset investments

2020
£'000

The following are included in the net book value of fixed asset investments:

Subsidiary undertakings

-

Subsidiary undertakings:

2020
£'000

Cost

At the beginning of the period

-

At the end of the period

-

Net book value

-

The Company, Circle Health 3 Limited, a private company limited by shares and incorporated in the United Kingdom, has a number of subsidiaries, joint ventures and associates. These are held directly and indirectly by the Company and all of which operate and are incorporated in the UK. The principal activity of the group undertakings is the provision of healthcare services and supplies. A list of all investments in subsidiaries including the name, country of incorporation, and proportion of ownership interest is given in note 10.

Notes to the financial statements
for the period from incorporation to 31 December 2020 (continued)

6	Debtors - amounts falling due within one year	2020 £'000
	Amounts owed by group undertakings	107,607
		<u>107,607</u>

Intercompany balance is owed from Circle Health 4 Limited which is interest free, unsecured and repayable on demand.

7	Creditors - amounts falling due within one year	2020 £'000
	Amounts owed to group undertakings	107,607
		<u>107,607</u>

Amounts owed to group undertakings represents a balance owed to Circle Health 2 Limited which is interest free, unsecured and repayable on demand.

8	Share capital and share premium	2020 £'000
	Authorised 1 ordinary shares with value of £1	-
	Allotted, called-up and fully-paid 1 ordinary shares with value of £1	-

9 Controlling party

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.

10 Related undertakings

The Company has investments in the following subsidiary undertakings, associates and other investments. All undissolved subsidiary undertakings listed below have their registered offices at 1st Floor 30 Cannon Street, London, EC4M 6XH, England, United Kingdom.

Direct subsidiaries

Name of subsidiary	Principal activity	Country of	Share class	Interest held
Circle Health 4 Limited	Investment holding	United Kingdom	Ordinary shares	100%

Indirect subsidiaries

Name of subsidiary	Principal activity	Country of	Share class	Interest held
GHG Healthcare Holdings Limited	Investment holding	United Kingdom	Ordinary shares	100%
General Healthcare Group Limited	Investment holding	United Kingdom	Ordinary shares	100%
Bishopswood SPV Limited	Provision of healthcare services	United Kingdom	Ordinary shares	100%
BMI Healthcare Limited	Provision of healthcare services	United Kingdom	Ordinary shares	100%
BMI Hospital Decontamination Limited	Provision of decontamination services	United Kingdom	Ordinary shares	100%
BMI Syon Clinic Limited	Provision of healthcare services	United Kingdom	Ordinary shares	50%
BMI Imaging Clinic Limited	Provision of healthcare services	United Kingdom	Ordinary shares	50%
BMI Southend Private Hospital Limited	Provision of healthcare services	United Kingdom	Ordinary shares	50%
Meriden Hospital Advanced Imaging Centre Limited	Provision of healthcare services	United Kingdom	Ordinary shares	50%
Three Shires Hospital LLP	Provision of healthcare services	United Kingdom	Ordinary shares	50%
General Healthcare Holdings (2) Limited	Investment holding	United Kingdom	Ordinary shares	100%
General Healthcare Holdings (3) Limited	Investment holding	United Kingdom	Ordinary shares	100%
General Healthcare Holdings (4) Limited	Investment holding	United Kingdom	Ordinary shares	100%
GHG (DB) Pension Trustees Limited	Pension funding	United Kingdom	Ordinary shares	100%
GHG Intermediate Holdings Limited	Investment holding	United Kingdom	Ordinary shares	100%
GHG Leasing Limited	Provision of healthcare services	United Kingdom	Ordinary shares	100%
North West Cancer Clinic Limited	Provision of healthcare services	United Kingdom	Ordinary shares	90%
Runnymede SPV Limited	Provision of healthcare services	United Kingdom	Ordinary shares	100%
South Cheshire SPV Limited	Provision of healthcare services	United Kingdom	Ordinary shares	100%
GHG Mount Alvernia Hospital Limited	Investment holding	United Kingdom	Ordinary shares	100%
Generale de Sante International Limited	Investment holding	United Kingdom	Ordinary shares	100%

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

11 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.