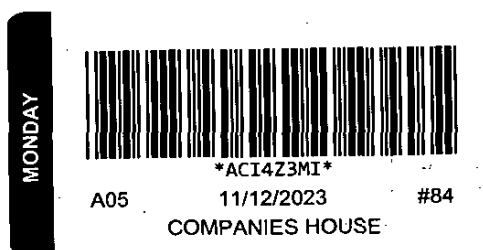


Company registered number: 12108495

Circle Health 1 Limited

**Report and financial statements
for the year ended 31 December 2022**



Circle Health 1 Limited

Annual report and financial statements

Contents

	Page
Strategic report	1
Directors' report	5
Directors' responsibilities statement	6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Strategic Report for the year ended 31 December 2022

The directors present their Strategic Report on the affairs of Circle Health 1 Limited ("the Company") for the year ended 31 December 2022.

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

Principal activities

The principal activity of the Company during the year continued to be that of a holding company which provides healthcare services through its subsidiary undertakings.

Review of business performance and key performance indicators (KPIs)

The directors do not consider it necessary to include any further key performance indicators, other than the current period results and financial position shown below, in order to understand the business given it is a holding company by nature.

Financial performance

The Company's revenue for the year ended 31 December 2022 was £nil (2021: £nil).

Financial Position

The Company's statement of financial position as at 31 December 2022 showed equity of £75.2 million (2021: £75.2 million).

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 Circle Group manages risks for all entities through its committee structure, including governance committees, and through the use of a regularly updated and reviewed risk register. Risk mitigation plans across all levels are discussed and actioned on a regular basis by the directors. There are no risks separate from those managed and disclosed below that are applicable to the Company.

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

Reputational risk

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

Data protection and cyber risk

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

Strategic report
for the year ended 31 December 2022 (continued)

Principal risks and uncertainties (continued)**Government policy and regulatory risk**

The provision and regulation of healthcare in the UK, including that by the independent sector, is the subject of periodic review by government and regulatory bodies. New regulations, and funding arrangements, may be introduced in the future which could have adverse effect on demand for the Group's services (from different payor groups), its operational costs and the nature and cost of regulatory compliance.

Inflation risk

Given the global economic conditions, and political uncertainty in Europe, higher levels of inflation have been experienced with consequent additional pressure on staff costs. The impact on the Group has been an increase in direct costs for goods and services, not all of which 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.

Credit risk

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

The Group's credit risk is primarily attributable to its trade receivables. This is managed by regular monitoring of existing customer accounts and credit checks on new customers before credit is provided. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables. An allowance for impairment is made when there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

Cash flow and liquidity risk

In the ordinary course of business, in order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments of all Circle Group subsidiaries, the 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.

Corporate Governance Statement (Section 172(1))

Under section 172 of the Companies Act 2006, directors of a company have a duty to promote the success of the company. Specifically, it requires the director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In performing their duties under section 172, the directors of the Company have had regard to the matters set out in section 172(1) as follows:

a) the likely consequences of any decision in the long term;

The Board has set long term strategic objectives for the Company focused on:

- clinical quality, patient experience and market leading reputation;
- attracting and retaining the best people;
- investment in infrastructure by improving the environment and capabilities;
- digital transformation to enable improved patient pathways, propositions and efficiency; and
- business growth.

These pillars form the basis of a five-year plan which is monitored and update periodically. The strategy and plan supports decision-making around capital investment and allows the board to forecast funding requirements, debt capacity and financing options that are required to deliver this. As described elsewhere in this report, the debt facilities in place support the Circle Group's investment plans.

In developing the strategy, the Directors also consider external factors such as the political, economic, regulatory, and competitive environment.

Strategic report
for the year ended 31 December 2022 (continued)

Corporate Governance Statement (Section 172(1))

b) the interests of the company's employees;

The Directors understand the importance of the Group's employees to quality of care provided to patients, and so the long-term success of the business.

There is regular engagement with employees through an Employee Voice Forum, weekly staff newsletters, and an annual employee engagement programme. As a result of the most recent annual employee engagement survey, the Group was awarded a 2-star outstanding employer rating by best companies™. The Group continues to use the results of its annual employee engagement programme to invest further in improving the overall employee experience. This includes investing in pay awards, increasing minimum basic hourly wage of contracted staff and by carrying out regular salary benchmarking and pay review exercises to allow clinical and other staff to be paid at competitive levels in the market.

c) the need to foster the company's business relationships with suppliers, customers and others;

The Board regularly reviews how the Group maintains positive relationships with all of its stakeholders including patients, consultants, suppliers and others.

The Company's principal risks and uncertainties set out risks that can impact the long-term success of the Group and the Company, and how these risks interact with our stakeholders. The Directors actively seek information on the interaction with stakeholders to ensure that they have sufficient information to reach appropriate conclusions about the risks faced and how these are reflected within the long-term plans.

d) the impact of the company's operations on the community and the environment;

The Group has an ongoing capital investment programme to improve the hospital estate and bring new medical and diagnostic equipment in to the hospitals. The capital project process considers the environmental impact and energy efficiency of programmes of work to monitor and improve this over time.

e) the desirability of the company maintaining a reputation for high standards of business conduct; and

As a healthcare provider, the Directors believe that maintaining the reputation of the Group is critical for the future success. Clinical quality and governance is at the heart of the culture of the Group and receives significant focus at Board level.

The Board is committed to high standards of business conduct and details of the governance structures are set out in the annual Quality Account, available on the Circle Health Group website.

f) the need to act fairly as between members of the company

The Group holds monthly meetings with shareholders represented. Shareholders have worked effectively together to agree the course for the long term future of the Group.

The Company and its board of directors ('the Board') is committed to and has applied the principles of corporate governance contained in the Wates Corporate Governance Principles for large private companies for the year ended 31 December 2022. Further explanation of how each principle has been applied is set out in the Statement of corporate governance arrangements.

Going concern

The Company's net assets were £75.2 million as at 31 December 2022 (31 December 2021: £75.2 million). The Company's net current liabilities were £nil (2021: £nil).

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

Strategic report
for the year ended 31 December 2022 (continued)

Going concern (continued)

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. 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.

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 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 these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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

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



Henry Davies
Director

Date: 1 December 2023

**Directors' report
for the year ended 31 December 2022**

The directors present their report on the affairs of Circle Health 1 Limited ("the Company"), together with the financial statements for the year ended 31 December 2022.

Details of events affecting the Company since the financial year end, an indication of likely future developments in the business and a statement on going concern have been included in the financial performance section of the Strategic report, and form part of this Directors' report by reference.

Principal activity

The principal activity of the Company during the year continued to be that of a holding company which provides healthcare services through its subsidiary undertakings.

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. Details of this, how it is applicable to the Company, and the risk management framework and policies it works within are included in the Strategic Report.

Dividends

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

Directors

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

Henry Davies
Paolo Pieri

Directors' and officers' insurance

The Company has procured qualifying third party indemnity insurance for all Directors and Officers of the Company and all Group companies. There are no outstanding claims or provisions as at the balance sheet date. The indemnity was in force during the financial year and also at the date of approval of the financial statements.

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.



Director: Henry Davies

Date: 11 December 2023

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

Directors' responsibilities statement for the year ended 31 December 2022

Statement of Directors' responsibilities in respect of the financial statements

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 year. The directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS), and Article 4 of the IAS regulation, and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The directors must not approve the accounts 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 the parent company 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.

In preparing the Group financial statements, IAS 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of comprehensive income
for the year ended 31 December 2022

	2022 £'000	2021 £'000
Result for the period	-	-
Total comprehensive result for the period	-	-

The accompanying notes 1 to 11 are an integral part of this statement of comprehensive income.

Balance sheet
as at 31 December 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Investments	5	<u>75,211</u>	<u>75,211</u>
Current assets			
Debtors	6	33,209	33,209
Creditors: amounts falling due within one year	7	(33,209)	(33,209)
Net current liabilities		<u>-</u>	<u>-</u>
Total assets less current liabilities		75,211	75,211
Net assets		<u>75,211</u>	<u>75,211</u>
Capital and reserves			
Called up share capital	8	1	1
Share premium	8	75,210	75,210
Retained earnings		-	-
Total shareholders' funds		<u>75,211</u>	<u>75,211</u>

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 of Circle Health 1 Limited were approved by the board of directors and authorised for issue on 1 December 2023. They were signed on its behalf by:



Director: Henry Davies

Date: 1 December 2023

The accompanying notes form part of these financial statements.

The company's registered number is 12108495.

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

	Note	Called up share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Balance as at 31 December 2021		<u>1</u>	<u>75,210</u>	<u>-</u>	<u>75,211</u>
Result for the year	8	-	-	-	-
Balance as at 31 December 2022		<u>1</u>	<u>75,210</u>	<u>-</u>	<u>75,211</u>

Notes to the financial statements for the year ended 31 December 2022

1 General information

Circle Health 1 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 4 and the Directors' Report on pages 5 and 6.

These financial statements are presented in pounds (GBP) 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 10.

2 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 Circle Health Holdings 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 £75.2 million as at 31 December 2022 (2021: £75.2million). The Company's net current liabilities were £nil (2021: £nil).

The Company's going concern assessment is carried out alongside that of the Circle Group. Management of the Circle Group have 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 Circle Group will have sufficient facilities to provide liquidity through the review period.

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 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 year ended 31 December 2022 (continued)

2 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.

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

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

2 Accounting policies (continued)

Financial instruments (continued)

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 and is included in the 'other gains and losses' line item in the income statement.

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 Statement of comprehensive income

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

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.

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

5 Fixed asset investments

	2022 £'000	2021 £'000
The following are included in the net book value of fixed asset investments:		
Subsidiary undertakings	75,211	75,211
Subsidiary undertakings:		
Cost	2022 £'000	2021 £'000
At the beginning of the period	75,211	-
Additions	-	75,211
Distribution received from investments	-	-
At the end of the period	75,211	75,211
Net book value	75,211	75,211

The Company, Circle Health 1 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 11.

6 Debtors - amounts falling due within one year

	2022 £'000	2021 £'000
Amounts owed by group undertakings	33,209	33,209
	33,209	33,209

Intercompany balances are owed from Circle Health 2 Limited and Circle Health 4 Limited.

A loan of £32.4m exists with Circle Health 2 Limited which is interest free, unsecured and repayable on demand. A loan of £0.8m exists with Circle Health 2 Limited which is interest free, unsecured and repayable on demand.

7 Creditors - amounts falling due within one year

	2022 £'000	2021 £'000
Amounts owed to parent	33,209	33,209
	33,209	33,209

Amounts owed to parents represents a loan from Circle Health Holdings Limited, which is interest free, unsecured and repayable on demand.

8 Share capital and share premium

	2022 £'000	2021 £'000
Authorised		
1,000 ordinary shares of £1	1	1
Allotted, called-up and fully-paid		
1,000 ordinary shares of £1	1	1
	2022 £'000	2021 £'000
Balance at the start of the period	75,210	-
Premium arising on issue of equity shares	-	75,210
Balance at the end of the period	75,210	75,210

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

9 Controlling party

The Company is a subsidiary undertaking of General Healthcare Holdings (3) Limited. Circle Health Holdings Limited 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 the registered address of 1st Floor 30 Cannon Street, London, EC4M 6XH. This is the same registered address as the smallest undertaking of the Company.

As a subsidiary undertaking of Circle Health Holdings Limited at the balance sheet date, the Company has taken advantage of the exemption in FRS 101 from disclosing transactions with other members of the group headed by Circle Health Holdings Limited. In July 2021, there was a change in ownership of Circle Health Holdings Limited, resulting in the UK controlling party of the Company being MII Services International (UK) Limited, with the ultimate parent being Centene Corporation.

Centene Corporation is the parent undertaking of the largest UK group for which consolidated financial statements are prepared that include the financial statements of the Company. Copies of the group financial statements for Centene Corporation may be obtained from 7700 Forsyth Blvd., St. Louis, MO 63105.

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., with the exception of the overseas entities which are noted separately below.

Direct subsidiaries

Name of subsidiary	Principal activity	Country of	Share class	Interest held
Circle Health 2 Limited	Investment holding	United Kingdom	Ordinary shares	100%

Indirect subsidiaries

Name of subsidiary	Principal activity	Country of	Share class	Interest held
Circle Health 3 Limited	Investment holding	United Kingdom	Ordinary shares	100%
Circle Health 4 Limited	Investment holding	United Kingdom	Ordinary shares	100%
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%
Circle Health Group Limited	Provision of healthcare services	United Kingdom	Ordinary shares	100%
Circle 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%
Menden 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%
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	100%
Runnymede 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%
Circle Holdings Limited	Investment holding	Jersey*	Ordinary shares	100%
Circle International plc	Investment holding	United Kingdom	Ordinary shares	100%
CHG Management Services Limited	Investment holding	United Kingdom	Ordinary shares	100%
Nations Healthcare Limited	Investment holding	United Kingdom	Ordinary shares	100%
Circle Nottingham Limited	Investment holding	United Kingdom	Ordinary shares	100%
Circle Hospital (Reading) Limited	Provision of healthcare services	United Kingdom	Ordinary shares	100%
Circle Clinical Services Limited	Provision of healthcare services	United Kingdom	Ordinary shares	100%
Circle Harmony Health Limited	Provision of healthcare services	China*	Ordinary shares	50%
Circle Harmony Health (UK) Limited	Provision of healthcare services	United Kingdom	Ordinary shares	100%
Shanghai Circle Harmony Hospital Management Limited	Provision of healthcare services	China*	Ordinary shares	50%
Circle Birmingham Limited	Provision of healthcare services	United Kingdom	Ordinary shares	100%
Circle Rehabilitation Services Limited	Provision of healthcare services	United Kingdom	Ordinary shares	99%
Circle Health MyWay Limited	Provision of healthcare services	United Kingdom	Ordinary shares	100%

*Circle Holdings Limited has their registered offices at 12 Castle Street, St Helier, Jersey, JE2 3RT.

Circle Harmony Health Limited has their registered offices at Rm 905-906, 9/F Houston Ctr, 63 Mody Road, TST KLN, Hong Kong.

Shanghai Circle Harmony Hospital Management Limited has their registered offices at Rm 1209, 12/F, Ruijin Building, 205 Maoming South Rd., Huangpu District, Shanghai.

11 Post Balance Sheet Event

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.