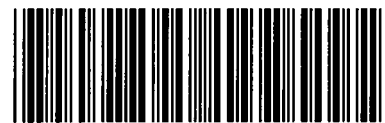


52 ALDERLEY ROAD LLP

Report and Financial Statements

31 December 2017

FRIDAY



\*L7FEQBK9\*

LD2

28/09/2018

#10

COMPANIES HOUSE

# 52 Alderley Road LLP

---

Registered No. OC385142

## **LLP INFORMATION**

### **DESIGNATED MEMBERS**

HCA International Limited  
Richard Johnson

### **AUDITORS**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

### **BANKERS**

Barclays Bank PLC  
St John's Wood & Swiss Cottage Branch  
P.O. Box 2764  
London  
NW3 6JD

### **REGISTERED OFFICE**

242 Marylebone Road  
London  
NW1 6JL

# 52 Alderley Road LLP

Registered No. OC385142

## THE MEMBERS' REPORT

The members present their report and accounts for the year ended 31 December 2017.

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of 52 Alderley Road LLP is to provide outpatient diagnostic treatment services in the Greater Manchester area.

The partnership's key financial and other performance indicators during the year were as follows:

	2017	2016	Change
	£000	£000	%
Revenue	6,458	6,489	(0.5%)
Operating loss	(2,329)	(1,637)	42.3%
Outpatient visits	12,143	11,293	7.5%
Outpatient surgery	1,805	2,068	(12.7%)
Average number of employees	50	43	16.3%

2017 saw a slight decrease in performance for the LLP with revenue decreasing by 0.5% on 2016. This is due to a greater decrease in outpatient surgeries relative to the increase in outpatient visits.

Operating losses have also increased further by 42.3% on 2016. This was driven mainly by increased staff costs as there was a large scale recruitment drive within the entity.

### DESIGNATED MEMBERS

HCA International Limited  
Richard Johnson

### POLICY WITH RESPECT TO MEMBERS' DRAWINGS AND SUBSCRIPTIONS AND REPAYMENT OF MEMBERS' CAPITAL

Members are permitted to make drawings from the available cash reserves as long as there is sufficient cash at bank to meet the working capital needs of the LLP for at least a further sixty days. The drawings are determined by the proportionate amount of the capital contribution made by the members.

New members are required to subscribe a minimum level of capital. Members may increase the amount of their capital contribution if members so agree by members' consent. On retirement, the balance on a member's Capital Account is repaid.

In the event of winding up, other reserves along with members' capital rank after unsecured creditors.

### FUTURE DEVELOPMENTS

There are no plans to change the activities of the partnership.

## 52 Alderley Road LLP

Registered No. OC385142

### THE MEMBERS' REPORT (CONTINUED)

#### EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events affecting the partnership have occurred since the end of the reporting period.

#### GOING CONCERN

No material uncertainties that cast significant doubt about the ability of the partnership to continue as a going concern have been identified by the members. Given that the partnership is loss making a letter of support has been obtained to ensure that its parent company will continue to support the partnership. On the basis of their assessment of the partnership's financial position, the partnership's members have a reasonable expectation that the partnership will be able to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### PRINCIPAL RISKS AND UNCERTAINTIES

##### *Legal risk*

The principal risk arising from the LLP's business is the uncertainty of medical indemnities. However, the LLP's exposure in this area is mitigated by its insurance policies and reviewed independently by external professional actuaries.

##### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The LLP aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets. In addition to this a letter of support has been obtained to ensure that its parent company will continue to support the company.

#### DISCLOSURE OF INFORMATION TO THE AUDITORS

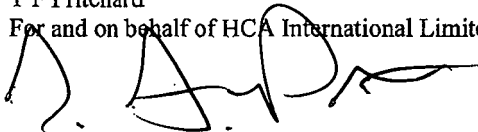
So far as each person who was a member at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow members and the LLP's auditor, each member has taken all the steps that they are obliged to take as a member in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### AUDITORS

Ernst & Young LLP will continue as auditor of the LLP.

Approved by the members on 14 September 2018 and signed on their behalf by:

T F Pritchard  
For and on behalf of HCA International Limited



Dr. Richard Johnson



MEMBERS' RESPONSIBILITIES STATEMENT

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires the members to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that year.

The members have elected to prepare financial statements for the LLP in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In preparing those financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 LLP will continue in business.

Under the Limited Liability Partnerships Regulations 2008, the members are responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Limited Liability Partnership Regulations. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

---

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 52 ALDERLEY ROAD LIMITED LIABILITY PARTNERSHIP ('LLP')

## Opinion

We have audited the financial statements of 52 Alderley Road LLP for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Reconciliation of Members' Interests, and the related notes 1 to 18, including a summary of significant accounting policies. 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), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland.

### In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

### 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 below. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership'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.

### Other information

The other information comprises the information included in the annual report set out on pages 1 to 19, other than the financial statements and our auditor's report thereon. The members are responsible for the other information

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

---

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 52 ALDERLEY ROAD LIMITED LIABILITY PARTNERSHIP ('LLP') (CONTINUED)

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit.

**Responsibilities of members**

As explained more fully in the Members' Responsibilities Statement on page 4, the members 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 members 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 members are responsible for assessing the partnership'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 members either intend to liquidate the partnership 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 Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young LLP*

Christine Chua (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

*14* September 2018

## 52 Alderley Road LLP

### STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2017

		2017	2016
	Notes	£000	£000
<b>REVENUE</b>	2	6,458	6,489
Administrative expenses		<u>(8,787)</u>	<u>(8,126)</u>
<b>OPERATING LOSS</b>	3	(2,329)	(1,637)
Interest payable	6	(220)	(187)
<b>LOSS FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES</b>		<u>(2,549)</u>	<u>(1,824)</u>
Members' remuneration charged as an expense		-	-
<b>LOSS FOR THE FINANCIAL PERIOD AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		<u>(2,549)</u>	<u>(1,824)</u>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<u><u>(2,549)</u></u>	<u><u>(1,824)</u></u>

All activities relate to continuing operations.



52 Alderley Road LLP

STATEMENT OF FINANCIAL POSITION  
at 31 December 2017

	<i>Notes</i>	<i>2017</i> £000	<i>2016</i> £000
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	<u>6,281</u>	<u>7,557</u>
<b>CURRENT ASSETS</b>			
Inventory	8	395	380
Trade and other receivables	9	1,747	2,146
Cash at bank and in hand		<u>362</u>	<u>362</u>
		2,504	2,888
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Trade and other payables	10	<u>(10,203)</u>	<u>(8,978)</u>
<b>NET CURRENT LIABILITIES</b>		(7,699)	(6,089)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(1,418)</u>	<u>1,467</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>			
	11	(1,850)	(2,186)
<b>NET LIABILITIES</b>		<u>(3,268)</u>	<u>(719)</u>
<b>REPRESENTED BY:</b>			
Members' capital		6,727	6,727
Other reserves		(9,995)	(7,446)
<b>TOTAL MEMBERS' INTERESTS</b>		<u>(3,268)</u>	<u>(719)</u>

These financial statements were approved by the members on 14 September 2018 and are signed on their behalf by:



T F Pritchard  
For and on behalf of HCA International Limited



Dr. Richard Johnson

Registered No. OC385142

## 52 Alderley Road LLP

### RECONCILIATION OF MEMBERS' INTERESTS for the year ended 31 December 2017

	<i>Members' capital</i> £000	<i>Other reserves</i> £000	<i>Members' interests total</i> £000	<i>Loans and other debts due to members less any amounts due from members in debtors</i> £000	<i>Total</i> £000
Amounts due to member				10,306	
Members' interests at 1 January 2017	6,727	(7,446)	(719)	10,306	9,587
Movement in loans and other debts due to member	-	-	-	970	970
Loss for the year available for division among members	-	(2,549)	(2,549)	-	(2,549)
Members' interests after loss for the year	6,727	(9,995)	(3,268)	11,276	8,008
Amounts due to member				11,276	
Members' interests at 31 December 2017	6,727	(9,995)	(3,268)	11,276	8,008

1. **ACCOUNTING POLICIES**

The principal accounting policies adopted by the partnership are set out below and are consistent with the previous year.

***Statement of compliance***

52 Alderley Road LLP is a limited liability partnership incorporated in England.

The partnership's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the partnership for the year ended 31 December 2017.

The results of 52 Alderley Road LLP are included in the consolidated accounts of HCA Healthcare Inc., which is incorporated in the United States of America.

***Basis of preparation***

The financial statements of 52 Alderley Road LLP for the year ended 31 December 2017 were authorised for issue by the members on ~~14~~ September 2018.

The financial statements have been prepared and in accordance with applicable accounting standards and the Statement of Recommended Practice – Accounting by Limited Liability Partnerships, published on 15 July 2014. The financial statements are prepared in sterling which is the functional currency of the Partnership, and rounded to the nearest £'000.

The partnership has taken advantage of the following exemptions under FRS 102:

- a) the requirements of section 4 Statement of Financial Position paragraph 4.12 (a)(iv)
- b) the requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d)
- c) the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A and Section 12 Other Financial Instrument Issues paragraphs 12.26 to 12.29A
- d) the requirement of Section 33 Related Party Disclosures paragraph 33.7

***Basis of measurement***

The financial statements have been prepared on the historical cost basis.

***Going concern***

No material uncertainties that cast significant doubt about the ability of the partnership to continue as a going concern have been identified by the members. Given that the partnership is loss making a letter of support has been obtained to ensure that its parent company will continue to support the partnership. On the basis of their assessment of the partnership's financial position, the partnership's members have a reasonable expectation that the partnership will be able to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

***Significant accounting judgements, estimates and assumptions***

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

1. ACCOUNTING POLICIES (CONTINUED)

*Significant accounting judgements, estimates and assumptions (continued)*

*Operating lease commitments*

The partnership has entered into a commercial property lease as a lessee. The property is used for the provision of its principal activities as discussed in the Members' Report. The classification of such lease as an operating or finance lease requires the LLP to determine, based on an evaluation of the terms and conditions of the arrangement, whether it retains or acquires the significant risks and rewards of ownership of this asset and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

All leases are classified and accounted for as operating leases.

The following estimates are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the statement of financial position date:

*Impairment*

Where there are indicators of impairment of individual assets, the LLP performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from past performance and future budgets and do not include restructuring activities that the LLP is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Where there are indicators of impairment of trade and other receivables, the LLP performs an impairment review based on the aging of the individual balances outstanding and taking into account the probability of non-payment by the debtors.

*Revenue recognition*

The LLP provides a wide range of treatments and services to patients with private medical insurance. Management assesses the contractual agreements and makes estimates regarding expected discounts and rebates, which are revisited on a regular basis for reasonableness.

Revenue is reported net of the provisions made for such discounts and rebates.

*Significant accounting policies*

*Revenue*

Revenue is recognised to the extent that the LLP obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

*Rendering of services*

Revenue consists primarily of net healthcare service revenues that are recorded based upon established billing rates less allowances for contractual adjustments. Estimates of contractual allowances under managed healthcare plans are based upon terms specified in the related contractual agreement.

Revenue is recorded during the period the services are provided.

1. ACCOUNTING POLICIES (CONTINUED)

*Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Provision for depreciation is made so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Building refurbishment	10%
Equipment, furniture and fittings	between 10% and 25%

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

*Inventory*

Inventory, which consists mainly of drugs and consumable stores, are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition and includes invoiced cost, irrecoverable VAT and freight. Net realisable value is based on estimated selling price less costs to sell. Provision is made where necessary for obsolete, slow moving and defective inventory.

*Taxation*

The taxation payable on the partnership profits is the personal liability of the members and consequently neither taxation nor related deferred taxation is accounted for in the financial statements.

*Financial Assets*

**Initial recognition and measurement**

The LLP determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus directly attributable transaction costs.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in administrative expenses.

**Derecognition of financial assets**

A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired or (ii) the LLP has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the LLP has transferred substantially all the risks and rewards of the asset, or (b) the LLP has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of financial assets**

The LLP assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have

**1. ACCOUNTING POLICIES (CONTINUED)**

**Financial assets (continued)**

**Impairment of financial assets (continued)**

been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, with the amount of the loss recognised in administrative expenses.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

**Financial liabilities**

**Initial recognition and measurement**

The LLP determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

**Interest bearing loans and borrowings**

Obligations for loans and borrowings are recognised when the LLP becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

**Derecognition of financial liabilities**

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

**Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**Leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term. Provisions are made for onerous leases up until the date at which management believe the lease will be terminated or when economic benefit will be resumed.

**Pension costs**

The employees of the LLP are members of a group defined contribution scheme in the UK, the HCA International Limited Staff Retirement Benefits Scheme. The assets of the scheme are held separately from those of the LLP. The annual contributions payable are charged to the statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2017

**1. ACCOUNTING POLICIES (CONTINUED)*****Members' participation rights***

Members' participation rights are the rights of a member against the LLP.

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members are classified as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have any unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the statement of comprehensive income in the relevant year. To the extent that they remain unpaid at the year end, they are shown as a liability in the statement of financial position.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Statement of comprehensive income and are equity appropriations in the Statement of financial position.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

**2. REVENUE**

The turnover primarily consists of the provision of outpatient diagnostic treatment services within the United Kingdom. Turnover is also derived from the provision of consulting rooms.

	<i>2017</i>	<i>2016</i>
	<i>£000</i>	<i>£000</i>
Rendering of services	5,770	5,816
Sale of goods	688	673
	<u>6,458</u>	<u>6,489</u>

**3. OPERATING LOSS**

Operating loss is stated after charging the following:

	<i>2017</i>	<i>2016</i>
	<i>£000</i>	<i>£000</i>
Operating leases - land and buildings	256	256
Hire of plant and machinery	58	54
Management fee	231	231
Depreciation	<u>1,399</u>	<u>1,406</u>

The auditors of the partnership are also the auditors of HCA International Limited and are remunerated in respect of their services to the partnership by HCA International Limited. The audit fee for the partnership was £9,200 (2016: £8,880).

## 52 Alderley Road LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2017

#### 4. STAFF COSTS

The average number of persons employed by the partnership during the year was 50 (2016: 43).

Employment costs of all employees comprised:

	<i>2017</i>	<i>2016</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	1,998	1,342
Social security costs	193	141
Other pension costs	22	18
	<u>2,213</u>	<u>1,501</u>

#### 5. INFORMATION IN RELATION TO MEMBERS

	<i>2017</i>	<i>2016</i>
	<i>£000</i>	<i>£000</i>
Average number of members during the period	32	32
Losses (including remuneration) attributable to the member with the largest entitlement to losses	<u>(1,825)</u>	<u>(1,306)</u>

Losses attributable to the member with the largest entitlement was calculated based upon the entitlement to profits calculation within the LLP agreement for the year, this being 71.6% for 2017 (2016: 71.6%).

#### 6. INTEREST PAYABLE

	<i>2017</i>	<i>2016</i>
	<i>£000</i>	<i>£000</i>
Interest payable on intercompany loan	<u>220</u>	<u>187</u>
	<u>220</u>	<u>187</u>



52 Alderley Road LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2017

7. TANGIBLE FIXED ASSETS

	<i>Leasehold improvements</i> £000	<i>Equipment, furniture &amp; fittings</i> £000	<i>Total</i> £000
<b>Cost:</b>			
At 1 January 2017	5,225	5,661	10,886
Additions	-	123	123
At 31 December 2017	<u>5,225</u>	<u>5,784</u>	<u>11,009</u>
<b>Depreciation:</b>			
At 1 January 2017	1,345	1,984	3,329
Charge for the year	515	884	1,399
At 31 December 2017	<u>1,860</u>	<u>2,868</u>	<u>4,728</u>
<b>Net book value:</b>			
At 31 December 2017	<u>3,365</u>	<u>2,916</u>	<u>6,281</u>
At 31 December 2016	<u>3,880</u>	<u>3,677</u>	<u>7,557</u>

8. INVENTORY

	<i>2017</i> £000	<i>2016</i> £000
Drugs and consumables	395	380
	<u>395</u>	<u>380</u>

9. TRADE AND OTHER RECEIVABLES

	<i>2017</i> £000	<i>2016</i> £000
Trade debtors	1,043	1,311
Other debtors	6	22
Prepayments and accrued income	698	813
	<u>1,747</u>	<u>2,146</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2017

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£000	£000
Trade creditors	6	94
Loan owed to member	1,514	1,177
Loan interest owed to member	603	383
Amounts owed to member - trading	7,309	6,560
Other creditors	140	92
Accruals and deferred income	631	672
	<u>10,203</u>	<u>8,978</u>

Trading amounts owed to member are payable on demand. However the member has indicated that they will not seek repayment while financial support is being provided to the partnership, for at least 12 months from the date of approval of the financial statements.

Terms of the loan are disclosed within note 11.

**11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	2017	2016
	£000	£000
Loan owed to member	<u>1,850</u>	<u>2,186</u>
	<u>1,850</u>	<u>2,186</u>

The loan carries an interest rate of LIBOR+2.5% with step repayments of the principal of £84,087 per quarter. Interest on late payments is charged at LIBOR+10.0%. The loan is secured against all assets carried by the LLP. The current element of the loan is disclosed within note 10. Borrowings are repayable as follows:

	2017	2016
	£000	£000
<b>Intercompany loans</b>		
Within one year	337	337
Between two and five years	1,345	1,345
After five years	505	841
	<u>2,187</u>	<u>2,523</u>
Repayable on demand	1,780	1,223
	<u>3,967</u>	<u>3,746</u>

**12. LOANS AND OTHER DEBTS DUE TO MEMBERS**

In the event of the winding up of the LLP then any surplus of assets of the LLP over its liabilities remaining at the conclusion of the winding-up after payment of all monies due to the creditors of the LLP and all expenses of the winding-up shall be payable by the liquidator to the Members in such proportions as their respective interests bear to each other before the commencement of the winding-up.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2017

**13. PENSION COMMITMENTS**

The partnership participates in a group defined contribution scheme in the UK, the HCA International Limited Staff Retirement Benefits Scheme. The pension cost for the period was £22,000 (2016: £18,000). There were no outstanding contributions at 31 December 2017 (2016: nil).

**14. RELATED PARTY TRANSACTIONS**

During the period, the partnership entered into transactions, in the ordinary course of business, as follows:

<i>Related party</i>	<i>Transaction during the year</i>	<i>2017</i> £000	<i>2016</i> £000
HCA International Limited	Management fee	(231)	(231)
HCA International Limited	Interest payable on loan	(220)	(187)
		<u>          </u>	<u>          </u>
		<i>2017</i> £000	<i>2016</i> £000
<i>Related party</i>	<i>Closing balance at year end</i>		
HCA International Limited	Amounts due to member - trading	(7,309)	(6,560)
HCA International Limited	Interest due to member	(603)	(383)
HCA International Limited	Loan amounts due within one year to member	(1,514)	(1,177)
HCA International Limited	Loan amounts due after one year to member	(1,850)	(2,186)
		<u>          </u>	<u>          </u>

**HCA International Limited**

HCA International Limited owns 71.6% (2016: 71.6%) of the membership interest of the partnership. Under the terms of a management agreement, HCA International Limited is paid an annual fee equal to 3.5% of turnover for its involvement in the day to day management of the partnership. HCA International Limited operates the payroll, accounts payable and billing functions on behalf of the partnership and is fully reimbursed for these expenses.

**15. OBLIGATIONS UNDER LEASES**

Future minimum rentals payable under non-cancellable operating leases where the LLP is a lessee are as follows:

	<i>Land &amp; Buildings</i>	
	<i>2017</i> £000	<i>2016</i> £000
Not later than one year	264	264
Later than one year and not later than five years	1,058	1,058
Later than five years	1,499	1,763
	<u>2,821</u>	<u>3,085</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2017

**16. COMMITMENTS**

Capital expenditure:

	2017	2016
	£000	£000
Expenditure contracted for but not provided for	-	1,452

**17. FINANCIAL INSTRUMENTS**

	2017	2016
	£000	£000
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Trade debtors	1,043	1,311
Other debtors	6	22
	<u>1,049</u>	<u>1,333</u>
<i>Financial liabilities measured at amortised cost</i>		
Trade creditors	6	94
Loan amounts owed to member	3,967	3,746
Other amounts owed to member - trading	7,309	6,560
Other creditors	140	92
	<u>11,422</u>	<u>10,492</u>

Amounts owed to HCA International Limited are payable on demand. Interest of LIBOR +2.5% accrues on such balances aged over 1 year. Interest on late payments is charged at LIBOR+10.0%. The loan is secured against all assets carried by the LLP.

**18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent company is HCA International Limited, a company incorporated in the United Kingdom.

The partnership's ultimate parent undertaking and controlling party is HCA Healthcare Inc., which is incorporated in the United States of America. HCA Healthcare Inc. is the smallest and largest group of which the partnership is a member and for which group financial statements are prepared. Copies of the parent's consolidated accounts may be obtained from HCA, Investor Relations, One Park Plaza, I-4W, Nashville, TN 37203, USA.