

Registered No. OC385142

52 ALDERLEY ROAD LLP

Report and Financial Statements

31 December 2016



52 Alderley Road LLP

Registered No. OC385142

LLP INFORMATION

DESIGNATED MEMBERS

HCA International Limited
Richard Johnson

AUDITORS

Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
RG1 1YE

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 2016.

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:

	2016	2015	Change
	£000	£000	%
Revenue	6,489	4,527	43.3%
Operating loss	(1,637)	(2,435)	(32.8%)
Outpatient visits	11,293	6,407	76.3%
Outpatient surgery	2,068	1,279	61.7%
Average number of employees	43	41	4.9%

2016 saw an improved performance for the LLP with revenue increasing by 43.3% on 2015. This is due to an increase in trading activity across the business; outpatient visits and outpatient surgery have both increased on 2015.

Operating losses have also improved, decreasing by 32.8% on 2015. This was driven by cost savings in particular reduced recharges from HCA International Limited and an agreement made during 2016 to reimburse certain recharges incurred in prior periods.

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.

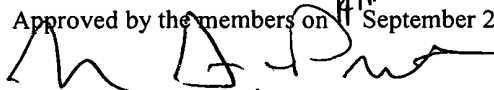
DISCLOSURE OF INFORMATION TO THE AUDITORS

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 ^{14th} September 2017 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')

We have audited the financial statements of 52 Alderley Road LLP for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Reconciliation of Members' Interests, the Statement of Cash Flows and the related notes 1 to 19. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in the Members' Responsibilities Statement set out 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2016 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 in 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 by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Opinion on other matter 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 Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Members' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Members' Report.

We have nothing to report in respect of the following matters where 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
- 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.

Ernst & Young LLP

Ian Oliver (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading

14 September 2017

52 Alderley Road LLP

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2016

	<i>Notes</i>	<i>2016</i> £000	<i>2015</i> £000
REVENUE	2	6,489	4,527
Administrative expenses		<u>(8,126)</u>	<u>(6,962)</u>
OPERATING LOSS	3	(1,637)	(2,435)
Interest payable	6	(187)	(134)
LOSS FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		<u>(1,824)</u>	<u>(2,569)</u>
Members' remuneration charged as an expense		-	-
LOSS FOR THE FINANCIAL PERIOD AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS OTHER COMPREHENSIVE INCOME		<u>(1,824)</u>	<u>(2,569)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u><u>(1,824)</u></u>	<u><u>(2,569)</u></u>

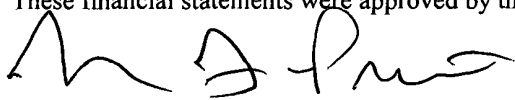
All activities relate to continuing operations.

52 Alderley Road LLP

STATEMENT OF FINANCIAL POSITION
at 31 December 2016

	Notes	2016 £000	2015 £000
FIXED ASSETS			
Tangible fixed assets	7	7,557	8,802
CURRENT ASSETS			
Inventory	8	380	354
Trade and other receivables	9	2,146	1,078
Cash at bank and in hand		362	362
		2,888	1,794
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Trade and other payables	10	(8,978)	(6,968)
NET CURRENT LIABILITIES			
		(6,089)	(5,174)
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,467	3,628
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR			
	11	(2,186)	(2,523)
NET LIABILITIES / ASSETS			
		(719)	1,105
REPRESENTED BY:			
Members' capital		6,727	6,727
Other reserves		(7,446)	(5,622)
TOTAL MEMBERS' INTERESTS			
		(719)	1,105

These financial statements were approved by the members on 14th September 2017 and are signed on their behalf by:



T F Pritchard
For and on behalf of HCA International Limited

Dr. Richard Johnson



52 Alderley Road LLP

RECONCILIATION OF MEMBERS' INTERESTS

for the year ended 31 December 2016

	<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	-	-	-	8,515	-
Members' interests at 1 January 2016	6,727	(5,622)	1,105	8,515	9,620
Movement in loans and other debts due to member	-	-	-	1,791	1,791
Loss for the year available for division among members	-	(1,824)	(1,824)	-	(1,824)
Members' interests after loss for the year	6,727	(7,446)	(719)	10,306	9,587
Amounts due to member	-	-	-	10,306	-
Members' interests at 31 December 2016	6,727	(7,446)	(719)	10,306	9,587

52 Alderley Road LLP

STATEMENT OF CASH FLOWS for the year ended 31 December 2016

	<i>Notes</i>	<i>2016</i> <i>£000</i>	<i>2015</i> <i>£000</i>
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	<i>13a</i>	(1,445)	(1,420)
INVESTING ACTIVITIES			
Payments to acquire fixed assets	<i>7</i>	(161)	(325)
NET CASH FLOW FROM INVESTING ACTIVITIES		(161)	(325)
FINANCING ACTIVITIES			
Increase in amounts due from members		1,606	1,745
NET CASH FLOW FROM FINANCING ACTIVITIES		1,606	1,745
MOVEMENT IN CASH AND CASH EQUIVALENTS		-	-
Increase in amounts due to members	<i>13b</i>	(1,791)	(1,879)
MOVEMENT IN NET DEBT		(1,791)	(1,879)
NET DEBT AT 1 JANUARY		(8,153)	(6,274)
NET DEBT AT 31 DECEMBER	<i>13b</i>	(9,944)	(8,153)

52 Alderley Road LLP

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2016

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 2016.

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 2016 were authorised for issue by the members on 14th September 2017.

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.

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:

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.

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting judgements, estimates and assumptions (continued)

Operating lease commitments (continued)

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.

52 Alderley Road LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2016

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.

	2016	2015
	£000	£000
Rendering of services	5,816	4,014
Sale of goods	673	513
	<u>6,489</u>	<u>4,527</u>

3. OPERATING LOSS

Operating loss is stated after charging the following:

	2016	2015
	£000	£000
Operating leases - land and buildings	256	251
Hire of plant and machinery	54	69
Depreciation	<u>1,406</u>	<u>1,386</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 £8,880 (2015: £11,600).

52 Alderley Road LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2016

4. STAFF COSTS

The average number of persons employed by the partnership during the year was 43 (2015: 41).

Employment costs of all employees comprised:

	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	1,342	1,616
Social security costs	141	141
Other pension costs	18	17
	<u>1,501</u>	<u>1,774</u>

5. INFORMATION IN RELATION TO MEMBERS

	<i>2016</i>	<i>2015</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>(1,306)</u>	<u>(1,839)</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 2016 (2015: 71.6%).

6. INTEREST PAYABLE

	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
Interest payable on intercompany loan	<u>187</u>	<u>134</u>
	<u>187</u>	<u>134</u>

52 Alderley Road LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2016

7. TANGIBLE FIXED ASSETS

	<i>Leasehold improvements</i> £000	<i>Equipment, furniture & fittings</i> £000	<i>Construction in progress</i> £000	<i>Total</i> £000
Cost:				
At 1 January 2016	5,151	5,688	60	10,899
Additions	-	127	34	161
Reclassifications	74	20	(94)	-
Disposals	-	(174)	-	(174)
At 31 December 2016	<u>5,225</u>	<u>5,661</u>	<u>-</u>	<u>10,886</u>
Depreciation:				
At 1 January 2016	806	1,291	-	2,097
Charge for the year	539	867	-	1,406
Disposals	-	(174)	-	(174)
At 31 December 2016	<u>1,345</u>	<u>1,984</u>	<u>-</u>	<u>3,329</u>
Net book value:				
At 31 December 2016	<u>3,880</u>	<u>3,677</u>	<u>-</u>	<u>7,557</u>
At 31 December 2015	<u>4,345</u>	<u>4,397</u>	<u>60</u>	<u>8,802</u>

8. INVENTORY

	<i>2016</i> £000	<i>2015</i> £000
Drugs and consumables	380	354
	<u>380</u>	<u>354</u>

9. TRADE AND OTHER RECEIVABLES

	<i>2016</i> £000	<i>2015</i> £000
Trade debtors	1,311	744
Other debtors	22	9
Prepayments and accrued income	813	325
	<u>2,146</u>	<u>1,078</u>

52 Alderley Road LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2016

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £000	2015 £000
Trade creditors	94	2
Loan owed to member	1,177	840
Loan interest owed to member	383	196
Amounts owed to member - trading	6,560	4,956
Other creditors	92	46
Accruals and deferred income	672	928
	<u>8,978</u>	<u>6,968</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

	2016 £000	2015 £000
Loan owed to member	2,186	2,523
	<u>2,186</u>	<u>2,523</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:

	2016 £000	2015 £000
Intercompany loans		
Within one year	337	336
Between two and five years	1,345	1,345
After five years	841	1,178
	<u>2,523</u>	<u>2,859</u>
Repayable on demand	1,223	700
	<u>3,746</u>	<u>3,559</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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2016

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of operating loss to net cash flow from operating activities

	2016	2015
	£000	£000
Operating loss	(1,637)	(2,435)
Add back depreciation	1,406	1,386
Increase in stocks	(26)	(171)
Increase in debtors	(1,068)	(308)
(Decrease) / increase in creditors	(120)	108
Net cash flow from operating activities	<u>(1,445)</u>	<u>(1,420)</u>

(b) Analysis of net cash

	<i>At 1 January 2016</i>	<i>Cash flow</i>	<i>Other non-cash changes</i>	<i>At 31 December 2016</i>
	£000	£000	£000	£000
Cash at bank and in hand	362	-	-	362
Amounts due to members within 1 year	(4,956)	-	(1,604)	(6,560)
Loan amounts due to members within 1 year	(1,036)	-	(524)	(1,560)
Loan amounts due to members after 1 year	(2,523)	-	337	(2,186)
	<u>(8,515)</u>	<u>-</u>	<u>(1,791)</u>	<u>(10,306)</u>
	<u>(8,153)</u>	<u>-</u>	<u>(1,791)</u>	<u>(9,944)</u>

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>	2016	2015
		£000	£000
HCA International Limited	Management fee	(231)	(158)
HCA International Limited	Interest payable on loan	(187)	(134)
HCA International Limited	Receipt of transfer of fixed assets	-	56

<i>Related party</i>	<i>Closing balance at year end</i>	2016	2015
		£000	£000
HCA International Limited	Amounts due to member - trading	(6,560)	(4,956)
HCA International Limited	Interest due to member	(383)	(196)
HCA International Limited	Loan amounts due within one year to member	(1,177)	(840)
HCA International Limited	Loan amounts due after one year to member	(2,186)	(2,523)

52 Alderley Road LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2016

14. RELATED PARTY TRANSACTIONS (CONTINUED)

HCA International Limited

HCA International Limited owns 71.6% (2015: 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.

Key Management Personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of 52 Alderley Road LLP are considered to be key management personnel. The key management personnel for the LLP are also employed by HCA International Limited. The members do not believe it is practicable to apportion this amount between their services to the LLP and their services to HCA International Limited. Therefore, they have determined that all such remuneration is allocated to HCA International Limited, for disclosure purposes only.

15. 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 £18,000 (2015: £17,000). There were no outstanding contributions at 31 December 2016 (2015: nil).

16. OBLIGATIONS UNDER LEASES

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

	<i>Land & Buildings</i>	
	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
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	1,763	2,027
	<u>3,085</u>	<u>3,349</u>

17. COMMITMENTS

Capital expenditure:

	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
Expenditure contracted for but not provided for	<u>1,452</u>	<u>179</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2016

18. FINANCIAL INSTRUMENTS

	2016	2015
	£000	£000
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Trade debtors	1,311	744
Other debtors	22	9
	<u>1,333</u>	<u>753</u>
<i>Financial liabilities measured at amortised cost</i>		
Trade creditors	94	2
Loan amounts owed to member	3,746	3,559
Other amounts owed to member - trading	6,560	4,956
Other creditors	92	46
	<u>10,492</u>	<u>8,563</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.

19. 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.