

THE PHYSICIANS CLINIC LIMITED

Report and Financial Statements

For the 9 months ended 31 December 2016

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COMPANIES HOUSE

The Physicians Clinic Limited

Registered No. 07470937

DIRECTORS

Dr HLC Beynon
Dr P Glynn
A Yousefi
G D Reynolds

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

The Physicians Clinic Limited

Registered No. 07470937

STRATEGIC REPORT

The directors present their strategic report for the 9 months ended 31 December 2016.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company is the provision of medical services.

The company transitioned from UK GAAP to FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) as at 1 April 2015. Following rigorous analysis by management of the differences in GAAP and a review of all operations within the company, no variances in GAAP were identified which impact the statement of financial position or statement of comprehensive income. An explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is disclosed in note 13.

On 30 September 2016 HCA International Limited purchased 151 "A" ordinary shares from Mr Timothy Strawbridge with the effect of making HCA International Limited the majority shareholder. These shares were redesignated as "B" ordinary shares on the same day.

The board of directors resolved to change the company's accounting period from 31 March of each year to 31 December of each year. These financial statements are thus prepared for nine months to 31 December 2016.

The company's key financial and other performance indicators during the period were as follows:

	2016 (9 months) £000	31 March 2016 £000	Change £000
Turnover	954	1,390	(436)
Operating profit	92	259	(167)

Turnover for the period is down on 31 March 2016 by £436,000; however taking into account the adjusted accounting period the decrease equates to a fall of £117,000. This is driven by a combination in the mix of patient activity and revenue generated for the combination of treatments provided.

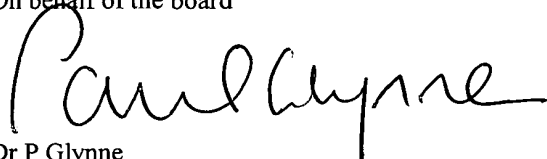
An operating profit of £92,000 was reported for the 9 months ended 31 December 2016 which indicates the company continues to be profitable.

The prospects for the company remain positive and the company has the ongoing support from its directors and parent.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk arising from the company's business is the uncertainty of medical indemnities. However, the company's exposure in this area is borne by HCA International Limited and is mitigated by insurance and reviewed independently by external professional actuaries.

On behalf of the board



Dr P Glynne
Director

23 November 2017

The Physicians Clinic Limited

Registered No. 07470937

DIRECTORS' REPORT

The directors present their report and accounts for the 9 months ended 31 December 2016.

REVIEW OF THE BUSINESS

A review of business has been detailed within the Strategic Report.

DIVIDENDS

The board has proposed to pay a final dividend of £171,000 for the period.

DIRECTORS

The directors of the company who served during the 9 months ended 31 December 2016 were as follows:

T Strawbridge (*resigned 30 September 2016*)
Dr HLC Beynon
Dr P Glynn
A Yousefi (*appointed 30 September 2016*)
G D Reynolds (*appointed 30 September 2016*)

DIRECTORS INDEMNITY

The company has granted indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity remains in force as at the date of approving the directors' report.

FUTURE DEVELOPMENTS

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

EVENTS AFTER THE END OF THE REPORTING PERIOD

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

GOING CONCERN

The company has received a commitment of financial support from its' parent HCA International Limited, and therefore the directors have a reasonable expectation that the company has adequate resources 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.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving the Directors' Report are listed on page 1.

So far as each person who was a director 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 directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Physicians Clinic Limited

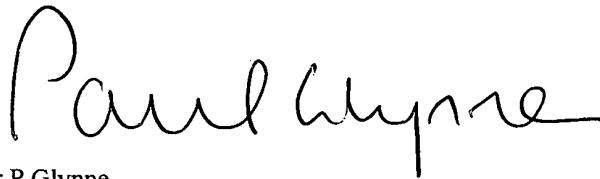
Registered No. 07470937

DIRECTORS' REPORT (CONTINUED)

AUDITORS

In accordance with Section 487 of the Companies Act 2006, Ernst & Young LLP were appointed and will continue as auditor of the Company.

On behalf of the board



Dr P Glynn
Director

23 November 2017

The Physicians Clinic Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those 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 United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PHYSICIANS CLINIC LIMITED

We have audited the financial statements of The Physicians Clinic Limited for the nine months ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 14. 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities on page 5, the directors 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 (APB'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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements 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 company's affairs as at 31 December 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

The comparative figures have not been audited.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PHYSICIANS CLINIC LIMITED (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 Strategic Report or Directors' Report.

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

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

Ernst & Young LLP

Jan Oliver (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditors
Reading

29 November 2017

The Physicians Clinic Limited

STATEMENT OF COMPREHENSIVE INCOME for the 9 months ended 31 December 2016

	<i>Notes</i>	<i>2016 (9 months) £000</i>	<i>31 March 2016 (Unaudited) £000</i>
TURNOVER	2	954	1,390
Administrative expenses		<u>(862)</u>	<u>(1,131)</u>
OPERATING PROFIT	3	92	259
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>92</u>	<u>259</u>
Tax on profit on ordinary activities	5	(23)	(54)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>69</u>	<u>205</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		<u><u>69</u></u>	<u><u>205</u></u>

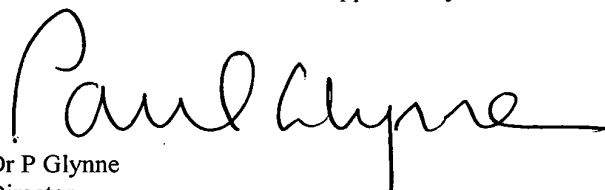
All activities relate to continuing operations.

The Physicians Clinic Limited

STATEMENT OF FINANCIAL POSITION at 31 December 2016

	<i>Notes</i>	<i>2016</i> <i>£000</i>	<i>31 March</i> <i>2016</i> <i>(unaudited)</i> <i>£000</i>
FIXED ASSETS			
Tangible assets	6	14	15
		<u>14</u>	<u>15</u>
CURRENT ASSETS			
Trade and other receivables	7	265	88
Cash at bank and in hand		4	367
		<u>269</u>	<u>455</u>
CREDITORS: amounts falling due within one year	8	99	313
NET CURRENT ASSETS		170	142
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>184</u>	<u>157</u>
NET ASSETS		<u>184</u>	<u>157</u>
 CAPITAL AND RESERVES			
Called up share capital	11	-	-
Capital redemption reserve	12	-	-
Profit and loss account		184	157
EQUITY SHAREHOLDERS' FUNDS		<u>184</u>	<u>157</u>

These financial statements were approved by the board of directors on 23 November 2017 and signed on its behalf by:



Dr P Glynn
Director

Registered No. 07470937

The Physicians Clinic Limited

STATEMENT OF CHANGES IN EQUITY for the 9 months ended 31 December 2016

	<i>Share capital</i> £000	<i>Capital redemption reserve</i> £000	<i>Profit and loss account</i> £000	<i>Total</i> £000
At 1 April 2015 (Unaudited)	-	-	134	134
Profit for the year (Unaudited)	-	-	205	205
Dividends (Unaudited)	-	-	(182)	(182)
At 1 April 2016 (Unaudited)	-	-	157	157
Profit for the period	-	-	69	69
Dividends	-	-	(42)	(42)
At 31 December 2016	-	-	184	184

On 2 April 2015 the company repurchased 100 "A" Ordinary £1 shares, 100 "B" Ordinary £1 shares, 100 "C" Ordinary £1 shares which were cancelled on the same day under the provisions of Section 708 of the Companies Act 2006. A transfer of £300 was made to the capital redemption reserve under the provisions of Section 733 of the Companies Act 2006.

On 2 April 2015 the company issued 12 "A" Ordinary £1 shares at par.

On 30 September 2016 151 "A" Ordinary £1 shares were redesignated as 151 "B" Ordinary £1 shares under the provisions of Section 630 of the Companies Act 2006.

The Physicians Clinic Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2016

1. ACCOUNTING POLICIES

The Physicians Clinic Limited is a company incorporated and domiciled in England.

Statement of compliance

The company's financial statements have been prepared in compliance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The company is exempt from the obligation to prepare and deliver group accounts by virtue of section 401 of the Companies Act 2006. Its results are included in the consolidated accounts of HCA Holdings Inc., which is incorporated in the United States of America. Information in these financial statements is therefore presented for the individual company rather than for the group.

Basis of preparation

The financial statements were authorised for issue by the Board of Directors on 23 November 2017.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company, and rounded to the nearest £'000.

The company 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
- (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 12.29

Going concern

The company has received a commitment of financial support from its' parent HCA International Limited, and therefore the directors have a reasonable expectation that the company has adequate resources 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 balance sheet 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 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 trade and other receivables, the company 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 company 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.

The Physicians Clinic Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2016

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies

Revenue

Revenue is recognised to the extent that the company 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.

Turnover is recorded during the period the services are provided.

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 tangible fixed assets, when in their intended use, on a straight line basis over the expected useful economic lives of the fixed assets concerned. The principal annual rates used for this purpose are:

Equipment, furniture and fittings	between 10% and 25%
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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.

Taxation

Current tax is provided as amounts expected to be paid (or recovered) using the tax rate and laws that have been enacted or substantively enacted by the statement of financial position date.

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred at the statement of financial position date.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying time difference can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Financial Instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial Assets

Initial recognition and measurement

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2016

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Financial Assets (continued)

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 (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 income statement 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 Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the company 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 company 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 asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have 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 profit and loss account, 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 company 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 company 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.

The Physicians Clinic Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2016

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Leases

Rentals payable under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. 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.

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.

2. TURNOVER

The revenue is derived from the provision of medical services within the United Kingdom.

	2016 (9 months) £000	31 March 2016 (Unaudited) £000
Rendering of services	954	1,390
	<u>954</u>	<u>1,390</u>

3. OPERATING PROFIT

Operating profit is stated after charging the following:

	2016 (9 months) £000	31 March 2016 (Unaudited) £000
Depreciation	1	1
Operating lease rentals	151	202

The auditors of the company are also the auditors of HCA International Limited and are remunerated in respect of their services to the company by HCA International Limited. The audit fee for the company was £12,000.

4. DIRECTORS' REMUNERATION

Of the four directors, three received a remuneration during the period. The directors receiving a remuneration are also directors of the holding company and fellow subsidiaries. The directors received total remuneration for the year of £282,000 (year ended 31 March 2016: £354,000), all of which was paid by the holding company. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

The Physicians Clinic Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2016

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of total tax in the period:

	2016 (9 months) £000	31 March 2016 (Unaudited) £000
UK current tax:		
UK corporation tax	21	54
Tax under provided in prior years	-	-
Total current tax	<u>21</u>	<u>54</u>
UK deferred tax:		
Origination and reversal of timing differences	2	-
Total deferred tax	<u>2</u>	<u>-</u>
Total tax on ordinary activities	<u>23</u>	<u>54</u>

b) Factors affecting total tax:

The tax assessed on the loss on ordinary activities for the period differs from the standard rate of corporation tax in the UK. The differences are reconciled below:

	2016 (9 months) £000	31 March 2016 (Unaudited) £000
Profit on ordinary activities before tax	92	259
Profit on ordinary activities multiplied by standard/blended rate of corporation tax in the UK of 20% (2016: 20%)	18	54
Effect of:		
Disallowed expenses and other permanent differences	3	-
Prior period adjustment to deferred tax	2	-
Total tax for the period	<u>23</u>	<u>54</u>

c) Factors that may affect future tax charges:

A reduction in the UK corporation tax rate from 20% to 19%, with effect from 1 April 2017, was substantively enacted on 26 October 2015. A further reduction from 19% to 17% was substantively enacted on 15 September 2016 and will take effect from 1 April 2020.

The Physicians Clinic Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2016

5. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

d) Deferred tax liability in the statement of financial position:

	2016 £000	31 March 2016 (Unaudited) £000
Accelerated capital allowances	(2)	-
	<u>(2)</u>	<u>-</u>

6. TANGIBLE FIXED ASSETS

	<i>Equipment, furniture & fittings</i> £000	<i>Total</i> £000
Cost		
At 1 April 2016 (<i>unaudited</i>)	36	36
Disposals	(16)	(16)
At 31 December 2016	<u>20</u>	<u>20</u>
Depreciation		
At 1 April 2016 (<i>unaudited</i>)	21	21
Charge for the period	1	1
Disposals	(16)	(16)
At 31 December 2016	<u>6</u>	<u>6</u>
Net book value		
At 31 December 2016	<u>14</u>	<u>14</u>
At 1 April 2016 (<i>unaudited</i>)	<u>15</u>	<u>15</u>

7. TRADE AND OTHER RECEIVABLES

	2016 £000	31 March 2016 (unaudited) £000
Trade debtors	77	83
Amounts owed by parent company – trading	186	-
Prepayments and accrued income	2	5
	<u>265</u>	<u>88</u>

Trade debtors consist primarily of amounts charged for outpatient consultancy fees during the period.

The Physicians Clinic Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2016

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £000	31 March 2016 (unaudited) £000
Amounts owed to parent company – trading	-	258
Accruals and deferred income	76	-
Corporation tax	21	54
Deferred tax liability	2	-
Tax and social security	-	1
	<u>99</u>	<u>313</u>

9. RELATED PARTY TRANSACTIONS

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

<i>Related party</i>	<i>Transaction during the year</i>	2016 (9 months) £000	31 March 2016 (Unaudited) £000
HCA International Limited	Consultancy revenue and other recharges	954	1,390
HCA International Limited	General overheads, employee costs and occupancy costs recharges	(862)	(1,131)
Mr T Strawbridge	Dividends paid	36	64
Dr P Glynne	Dividends paid	2	65
Dr H L C Beynon	Dividends paid	2	51
		<u>40</u>	<u>180</u>

<i>Related party</i>	<i>Closing balance at year end</i>	2016 £000	31 March 2016 (unaudited) £000
HCA International Limited	Amounts due from \ (to) parent company - trading	186	(258)
		<u>186</u>	<u>(258)</u>

Key Management Personnel

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

The Physicians Clinic Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2016

10. LEASE COMMITMENTS

The company leases property from HCA International Limited (the parent company) on a tenancy at will basis for £202,000 per annum. As this lease can be terminated at any time without notice by either party a separate table for lease commitments has not been presented.

11. SHARE CAPITAL

	2016	31 March 2016	2016	31 March 2016
	<i>No.</i>	<i>No.</i>	£	£
<i>Allotted, called up and fully paid:</i>				
“A” Ordinary shares at £1	36	187	36	187
“B” Ordinary shares at £1	151	-	151	-
	<u>187</u>	<u>187</u>	<u>187</u>	<u>187</u>

All “A” ordinary shareholders are entitled to one vote per share, whereas “B” ordinary shareholders are not entitled to any votes. Both “A” and “B” ordinary shareholders are entitled to participate in dividend and other distributions by the company.

On 2 April 2015 the company repurchased 100 “A” Ordinary £1 shares, 100 “B” Ordinary £1 shares, 100 “C” Ordinary £1 shares which were cancelled on the same day under the provisions of Section 708 of the Companies Act 2006. A transfer of £300 was made to the capital redemption reserve under the provisions of Section 733 of the Companies Act 2006.

On 2 April 2015 the company issued 12 “A” Ordinary £1 shares at par.

On 30 September 2016 151 “A” Ordinary £1 shares were redesignated as 151 “B” Ordinary £1 shares under the provisions of Section 630 of the Companies Act 2006.

12. CAPITAL REDEMPTION RESERVE

	2016 £
At 1 April 2016	300
31 December 2016	<u>300</u>

Following the purchase and cancellation of shares disclosed in *Note 11* a transfer of £300 was made to the capital redemption reserve under the provisions of Section 733 of the Companies Act 2006.

13. TRANSITION TO FRS 102

The entity transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2015. Following rigorous analysis by management of the differences in GAAP and a review of all operations within the company, no variances in GAAP were identified which impact the statement of financial position or statement of comprehensive income.

Additional disclosures have been presented in accordance with the new standard and numbers for the comparatives have been presented where required.

Due to the simplistic financial operations, no transitional reliefs from UK GAAP to FRS 102 have been employed since there were no instances which would have allowed for this.

A table for the impact of the transition to FRS 102 has, therefore, not been presented.

The Physicians Clinic Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2016

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

The company'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 company 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.