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ROBOTIC RADIOSURGERY LLP

Report and Accounts

31 December 2008



Robotic Radiosurgery LLP

Registered No. 0C330347

DESIGNATED MEMBERS

HCA International Limited
Paul Ellis

SECRETARY

J Loyal

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

Robotic Radiosurgery LLP

THE MEMBERS' REPORT

The members present their report and accounts for the period from 6 August 2007 to 31 December 2008.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The LLP was incorporated on 6 August 2007 and received its first patient on 11 February 2009.

The principal activity of Robotic Radiosurgery LLP is the provision of cancer treatment and related activities.

In the opinion of the members, the state of Robotic Radiosurgery LLP's affairs at 31 December 2008 is satisfactory.

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

Members are permitted to make drawings once the profit is determined. Drawings cannot exceed a member's profit share. The profit share is determined by the amount of the capital contribution made by the members pro rata over the net profit for the financial period.

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.

AUDITORS

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Approved by the members on 4 June 2009 and signed on their behalf by:



For and on behalf of HCA International Limited



Paul Ellis

Robotic Radiosurgery LLP

STATEMENT OF MEMBERS' RESPONSIBILITIES

The Limited Liability Partnerships ("LLP") Regulations 2001 made under the Limited Liability Partnerships Act 2000 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).

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 2001, the members are responsible for keeping proper 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.

Robotic Radiosurgery LLP

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ROBOTIC RADIOLOGY LLP

We have audited the Limited Liability Partnership's financial statements from 6 August 2007 to 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows, the Statement of Recognised Gains and Losses, the Reconciliation of Members' Interests, and the related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the members, as a body, in accordance with the Limited Liability Partnerships Regulations 2001 made under the Limited Liability Partnerships Act 2000. 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 auditors' 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 described in the Statement of Members' Responsibilities the members are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Limited Liability Partnerships Regulations 2001 made under the Limited Liability Partnerships Act 2000. We also report to you if, in our opinion, the LLP has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Members' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Robotic Radiosurgery LLP

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ROBOTIC RADIOSURGERY LLP

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the LLP as at 31 December 2008 and of its loss for the period from 6 August 2007 to 31 December 2008; and
- the financial statements have been properly prepared in accordance with the Limited Liability Partnerships Regulations 2001.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

5 JUNE 2009

Robotic Radiosurgery LLP

PROFIT AND LOSS ACCOUNT

for the period from 6 August 2007 to 31 December 2008

	<i>Notes</i>	<i>Period ending 2008 £</i>
TURNOVER	2	-
Administrative expenses		<u>(209,788)</u>
OPERATING LOSS	3	(209,788)
Interest receivable	5	121,727
		<u>(88,061)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(88,061)
Tax on profit on ordinary activities		-
		<u>(88,061)</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(88,061)
		<u>-</u>
NET PROFIT FOR THE FINANCIAL PERIOD AVAILABLE FOR DIVISION AMONG MEMBERS		<u>-</u>

All activities relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses during the financial period other than the loss of £88,061 for the period from 6 August 2007 to 31 December 2008.

Robotic Radiosurgery LLP

BALANCE SHEET at 31 December 2008

	<i>Notes</i>	<i>2008</i> £
FIXED ASSETS		
Tangible assets	6	5,325,578
CURRENT ASSETS		
Debtors	7	17,084
Cash at bank and in hand		<u>3,621,583</u>
		3,638,667
CREDITORS: amounts falling due within one year	8	<u>(5,552,306)</u>
NET CURRENT LIABILITIES		(1,913,639)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>3,411,939</u></u>
MEMBERS' OTHER INTERESTS		
Member's capital		3,500,000
Other reserves		(88,061)
MEMBERS' FUNDS		<u><u>3,411,939</u></u>

These financial statements were approved by the members on 4 June 2009 and are signed on their behalf by:



For and on behalf of HCA International Limited

Paul Ellis

Robotic Radiosurgery LLP

STATEMENT OF CASH FLOWS

For the period from 6 August 2007 to 31 December 2008

	<i>Notes</i>	<i>2008</i> <i>£</i>
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	9	(144)
RETURNS ON INVESTMENTS		
Interest received		121,727
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets		-
NET CASH INFLOW BEFORE FINANCING		<u>121,583</u>
FINANCING		
Members' capital introduced		3,500,000
INCREASE IN CASH		<u>3,621,583</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT		
Increase in cash		3,621,583
Increase in loans due to members		<u>(3,683,614)</u>
MOVEMENT IN NET DEBT		(62,031)
NET DEBT AT 31 DECEMBER 2007		<u>-</u>
NET DEBT AT 31 DECEMBER 2008	9	<u>(62,031)</u>

Robotic Radiosurgery LLP

RECONCILIATION OF MEMBERS' INTERESTS

For the period from 6 August 2007 to 31 December 2008

	<i>Members' capital</i> £	<i>Other reserves</i> £	<i>Members' interests Total</i> £	<i>Loans and other debts due to members less any amounts due from members in debtors</i> £	<i>Total</i> £
Members' interests at incorporation					
Capital contribution	3,500,000	-	3,500,000	-	3,500,000
Movement in loans and other debts due to/from members	-	-	-	3,683,614	3,683,614
Loss for the financial period available for division among members	-	(88,061)	(88,061)	-	(88,061)
Members' interests after loss for the year	3,500,000	(88,061)	3,411,939	3,683,614	7,095,553
Amounts due to members	3,500,000	(88,061)	3,411,939	3,683,614	7,095,553
Members' interests at 31 December 2008	3,500,000	(88,061)	3,411,939	3,683,614	7,095,553

Robotic Radiosurgery LLP

NOTES TO THE ACCOUNTS

For the period from 6 August 2007 to 31 December 2008

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards including the Statement of Recommended Practice, Accounting by Limited Liability Partnerships, "the SORP" and under the historical cost convention.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost.

The tangible fixed assets relate to the costs incurred in acquiring the Cyberknife which is used in the provision of cancer treatment.

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:

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.

Turnover

Turnover 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.

Pension costs

Contributions to the defined contribution scheme are charged to the profit and loss account as they become payable. The partnership provides no other post retirement benefits to its employees.

Taxation

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

Operating Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Robotic Radiosurgery LLP

NOTES TO THE ACCOUNTS

For the period from 6 August 2007 to 31 December 2008

2. TURNOVER

The turnover was derived from one principal activity, the provision of cancer treatment within the United Kingdom.

3. OPERATING LOSS

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 £2,500.

4. STAFF COSTS

The average number of persons employed by the partnership during the period was one.

Employment costs of all employees comprised:

	<i>2008</i>
	<i>£</i>
Wages and salaries	32,914
Social security costs	3,389
Other pension costs	114
	<u>36,417</u>

5. INTEREST RECEIVABLE

	<i>2008</i>
	<i>£</i>
Bank interest receivable	<u>121,727</u>

Robotic Radiosurgery LLP

NOTES TO THE ACCOUNTS

For the period from 6 August 2007 to 31 December 2008

6. TANGIBLE FIXED ASSETS

	<i>Equipment, furniture & fittings £</i>
Cost:	
At 6 August 2007	-
Additions	5,325,578
	<hr/>
At 31 December 2008	<u>5,325,578</u>
Depreciation:	
At 6 August 2007	-
Charge for the year	-
At 31 December 2008	<hr/> <u>-</u>
Net book value:	
At 31 December 2008	<hr/> <u>5,325,578</u>

The first patient was treated on 11 February 2009. As the Cyberknife had not been put to its intended use until after the accounting period, no depreciation has been charged.

7. DEBTORS

	<i>2008 £</i>
Amounts receivable within one year:	
Prepayments and accrued income	<hr/> <u>17,084</u>

Robotic Radiosurgery LLP

NOTES TO THE ACCOUNTS

For the period from 6 August 2007 to 31 December 2008

8. CREDITORS: amounts falling due within one year

	<i>2008</i> £
Amounts due to members	3,683,614
Accruals	1,868,692
	<u>5,552,306</u>

9. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to net cash inflow from operating activities

	<i>2008</i> £
Operating loss	(209,788)
Increase in debtors	(17,084)
Increase in creditors	226,728
Net cash outflow from operating activities	<u>(144)</u>

(b) Analysis of net debt

	<i>At 6 August</i> <i>2007</i>	<i>Cash flow</i>	<i>Other non-</i> <i>cash</i> <i>movements</i>	<i>At 31</i> <i>December</i> <i>2008</i>
	£	£	£	£
Cash at bank and in hand	-	3,621,583	-	3,621,583
Debt due within 1 year	-	-	(3,683,614)	(3,683,614)
	<u>-</u>	<u>3,621,583</u>	<u>(3,683,614)</u>	<u>(62,031)</u>

Robotic Radiosurgery LLP

NOTES TO THE ACCOUNTS

For the period from 6 August 2007 to 31 December 2008

10. PENSION COMMITMENTS

Defined contribution scheme

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 year was £114. There were no outstanding contributions at 31 December 2008.

11. RELATED PARTIES

During the period, the partnership entered into transactions, in the ordinary course of business, with other related parties. Balances outstanding at 31 December 2008 are as follows:

<i>Related Party</i>	<i>Amount due for reimbursed expenses £</i>	<i>Amount due on loan to partnership £</i>
HCA International Limited	3,683,614	-

HCA International Limited

HCA International Limited owns 82.8% of the membership interest of the partnership. The trading balance for the construction period rose to £3,683,614 as at 31 December 2008.

12. CAPITAL COMMITMENTS

	<i>Equipment, furniture and fittings £</i>
Expenditure contracted for but not provided for	1,112,822