

THE PHYSICIANS CLINIC LIMITED

Report and Financial Statements

31 December 2017



The Physicians Clinic Limited

Registered No. 07470937

DIRECTORS

A Yousefi
G D Reynolds

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

The Physicians Clinic Limited

Registered No. 07470937

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2017.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

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

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

	2017 £000	2016 (9 months) £000	Change %
Turnover	2,535	954	166%
Operating profit	660	92	617%

2017 turnover improved resulting in operating profits of £660,000. This is driven by increased patient activity coupled with cost savings and synergies since the acquisition by HCA International Limited.

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



A Yousefi
Director

26 September 2018

The Physicians Clinic Limited

Registered No. 07470937

DIRECTORS' REPORT

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

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 £481,852 (2016: £41,869) for the year.

DIRECTORS

The directors of the company who served during the year were as follows:

Dr HLC Beynon (*resigned 10 January 2018*)

Dr P Glynnne (*resigned 10 January 2018*)

A Yousefi

G D Reynolds

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 plans to move the activity to HCA International Limited and Devonshire Diagnostic Centre Limited. The Physicians Clinic Limited will become a holding company holding shares in Devonshire Diagnostic Centre Limited.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 10 January 2018 HCA International Limited acquired the remaining 20% interest in The Physicians Clinic Limited and become the sole shareholder. A final dividend was proposed of £180,257 to the shareholders as at 10 January 2018.

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



A Yousefi
Director

26 September 2018

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

Opinion

We have audited the financial statements of The Physicians Clinic Limited for the year ended 31 December 2017 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, 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 including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 company 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, 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.

Opinions 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out 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, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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 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.



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

26 September 2018

The Physicians Clinic Limited

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2017

	<i>Notes</i>	<i>2017</i>	<i>2016 (9 months) £000</i>
TURNOVER	<i>2</i>	2,535	954
Administrative expenses		<u>(1,875)</u>	<u>(862)</u>
OPERATING PROFIT	<i>3</i>	660	92
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>660</u>	<u>92</u>
Tax on profit on ordinary activities	<i>5</i>	(139)	(23)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>521</u>	<u>69</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		<u>521</u>	<u>69</u>

All activities relate to continuing operations.

The Physicians Clinic Limited

STATEMENT OF FINANCIAL POSITION at 31 December 2017

	<i>Notes</i>	<i>2017</i> <i>£000</i>	<i>2016</i> <i>£000</i>
FIXED ASSETS			
Tangible assets	6	12	14
			14
CURRENT ASSETS			
Trade and other receivables	7	479	265
Cash at bank and in hand		200	4
		679	269
CREDITORS: amounts falling due within one year	8	(468)	(99)
NET CURRENT ASSETS		211	170
TOTAL ASSETS LESS CURRENT LIABILITIES		223	184
NET ASSETS		223	184
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Capital redemption reserve	12	-	-
Profit and loss account		223	184
EQUITY SHAREHOLDERS' FUNDS		223	184

These financial statements were approved by the board of directors on 26 September 2018 and signed on its behalf by:



A Yousefi
Director

Registered No. 07470937

The Physicians Clinic Limited

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2017

	<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 2016 (Unaudited)	-	-	157	157
Profit for the period	-	-	69	69
Dividends	-	-	(42)	(42)
At 1 January 2017	-	-	184	184
Profit for the year	-	-	521	521
Dividends	-	-	(482)	(482)
At 31 December 2017	-	-	223	223

The Physicians Clinic Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2017

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 results of The Physicians Clinic Limited 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 were authorised for issue by the Board of Directors on 26 September 2018.

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 (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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2017

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%

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 2017

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 2017

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.

	2017 £000	2016 (9 months) £000
Rendering of services	2,535	954
	<u>2,535</u>	<u>954</u>

3. OPERATING PROFIT

Operating profit is stated after charging the following:

	2017 £000	2016 (9 months) £000
Depreciation	2	1
Operating lease rentals	348	151

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 £18,700 (2016: £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 £1,045,000 (31 March 2017: £282,000), 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 2017

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of total tax in the period:

	2017 £000	2016 (9 months) £000
<i>UK current tax:</i>		
UK corporation tax	141	21
Total current tax	<u>141</u>	<u>21</u>
<i>UK deferred tax:</i>		
Origination and reversal of timing differences	(2)	2
Total deferred tax	<u>(2)</u>	<u>2</u>
Total tax on ordinary activities	<u>139</u>	<u>23</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:

	2017 £000	2016 (9 months) £000
Profit on ordinary activities before tax	660	92
Profit on ordinary activities multiplied by standard/blended rate of corporation tax in the UK of 19.25% (2016: 20%)	127	18
<i>Effect of:</i>		
Disallowed expenses and other permanent differences	12	3
Prior period adjustment to deferred tax	-	2
Total tax for the period	<u>139</u>	<u>23</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.

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

	2017 £000	2016 £000
Accelerated capital allowances	<u>(1)</u>	<u>(2)</u>
	<u>(1)</u>	<u>(2)</u>

The Physicians Clinic Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2017

6. TANGIBLE FIXED ASSETS

	<i>Equipment, furniture & fittings</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>
Cost		
At 1 January 2017	20	20
At 31 December 2017	<u>20</u>	<u>20</u>
Depreciation		
At 1 January 2017	6	6
Charge for the year	<u>2</u>	<u>2</u>
At 31 December 2017	<u>8</u>	<u>8</u>
Net book value		
At 31 December 2017	<u>12</u>	<u>12</u>
At 31 December 2016	<u>14</u>	<u>14</u>

7. TRADE AND OTHER RECEIVABLES

	<i>2017</i>	<i>2016</i>
	<i>£000</i>	<i>£000</i>
Trade debtors	35	77
Amounts owed by parent company – trading	444	186
Prepayments and accrued income	<u>-</u>	<u>2</u>
	<u>479</u>	<u>265</u>

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

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>2017</i>	<i>2016</i>
	<i>£000</i>	<i>£000</i>
Accruals and deferred income	320	76
Corporation tax	141	21
Deferred tax liability	-	2
Tax and social security	<u>7</u>	<u>-</u>
	<u>468</u>	<u>99</u>

The Physicians Clinic Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2017

9. RELATED PARTY TRANSACTIONS

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

<i>Related party</i>	<i>Transaction during the year</i>	<i>2017</i> <i>£000</i>	<i>2016</i> <i>(9 months)</i> <i>£000</i>
HCA International Limited	Consultancy revenue and other recharges	2,535	954
HCA International Limited	General overheads, employee costs and occupancy costs recharges	(1,875)	(862)
HCA International Limited	Dividends paid	389	-
Mr T Strawbridge	Dividends paid	24	36
Dr P Glynne	Dividends paid	23	2
Dr H L C Beynon	Dividends paid	23	2
Prof M Hanna	Dividends paid	23	2
<i>Related party</i>	<i>Closing balance at year end</i>	<i>2017</i> <i>£000</i>	<i>2016</i> <i>£000</i>
HCA International Limited	Amounts due from parent company -trading	444	186

10. FINANCIAL INSTRUMENTS

	<i>2017</i> <i>£000</i>	<i>2016</i> <i>£000</i>
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Trade debtors	35	77
Amounts owed by parent company – trading	444	186
	479	263

11. LEASE COMMITMENTS

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

	<i>2017</i> <i>£000</i>	<i>2016</i> <i>£000</i>
No later than one year	14	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	14	-

In 2016 the company leased property from HCA International Limited (the parent company) on a tenancy at will basis for £202,000 per annum. As this lease could be terminated at any time without notice by either party a separate table for lease commitments was not been presented.

The Physicians Clinic Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2017

12. SHARE CAPITAL

	2017 No.	2016 No.	2017 £	2016 No.
<i>Allotted, called up and fully paid:</i>				
“A” Ordinary shares at £1	36	36	36	36
“B” Ordinary shares at £1	151	151	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 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.

13. CAPITAL REDEMPTION RESERVE

	2017 £
At 1 January 2017	<u>300</u>
31 December 2017	<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.

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.