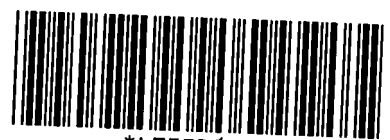


HCA UK INVESTMENTS LIMITED

Report and Financial Statements

31 December 2017

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COMPANIES HOUSE

HCA UK Investments Limited

Registered No. 03135050

COMPANY INFORMATION

DIRECTORS

J Loyal
M T Neeb
T F Pritchard
J R Midkiff

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
PO Box 2764
London
NW3 6JD

Bank of America
5 Canada Square
London
E14 5AQ

REGISTERED OFFICE

242 Marylebone Road
London
NW1 6JL

STRATEGIC REPORT

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

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

HCA UK Limited ceased trading as a lease operator in 2014 and has continued as a non-trading entity. In 2015 the company transferred all its investment property with a fair value of £19,000,000 which consisted of freehold buildings to HCA International Limited.

The company will remain a non-trading entity for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties in the company's business relate to a risk of non-recoverability of debtors. This risk is minimised through the provision of group support to other group entities where required. Management continues to monitor the recoverability of intercompany receivables and ensure provisions are made where required.

On behalf of the board



J R Midkiff
Director

26 September 2018

DIRECTORS' REPORT

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

REVIEW OF THE BUSINESS

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

RESULTS AND DIVIDENDS

The directors do not propose any dividend for the year (2016: £nil).

DIRECTORS

The directors of the company who served during the year ended 31 December 2017 were as follows:

M T Neeb
J Loyal
J R Midkiff
T F Pritchard

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

There were no significant events after the end of the reporting period which requires disclosure.

GOING CONCERN

The company has received a commitment of financial support from its parent HCA International Holdings 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.

HCA UK Investments Limited


Registered No. 03135050

DIRECTORS' REPORT (CONTINUED)

AUDITORS

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

On behalf of the board



J R Midkiff
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 a 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 DIRECTORS OF HCA UK INVESTMENTS LIMITED

Opinion

We have audited the financial statements of HCA UK Investments 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 9, 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 result 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 DIRECTORS OF HCA UK INVESTMENTS 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 directors, 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 directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

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

26 September 2018

HCA UK Investments Limited

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2017

| | <i>Notes</i> | <i>2017</i> £000 | <i>2016</i> £000 |
|--|--------------|---------------------|---------------------|
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | - | - |
| Tax on loss on ordinary activities | | - | - |
| LOSS ON ORDINARY ACTIVITIES AFTER TAXATION | | - | - |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE LOSS | | - | - |

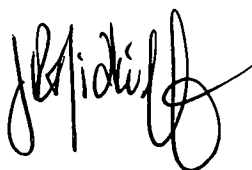
All activities relate to discontinued operations.

HCA UK Investments Limited

STATEMENT OF FINANCIAL POSITION at 31 December 2017

| | <i>Notes</i> | <i>2017</i> <i>£000</i> | <i>2016</i> <i>£000</i> |
|---|--------------|----------------------------|----------------------------|
| CURRENT ASSETS | | | |
| Debtors | 4 | 3,529 | 7,938 |
| Cash at bank and in hand | | <u>2</u> | <u>2</u> |
| | | 3,531 | 7,940 |
| CREDITORS: amounts falling due within one year | 5 | <u>-</u> | <u>(4,409)</u> |
| NET CURRENT ASSETS | | 3,531 | 3,531 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>3,531</u> | <u>3,531</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 8 | - | - |
| Share premium | | - | - |
| Profit and loss account | | 3,531 | 3,531 |
| EQUITY SHAREHOLDERS' FUNDS | | <u>3,531</u> | <u>3,531</u> |

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



J R Midkiff
Director

Registered No. 03135050

HCA UK Investments Limited

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

| | <i>Share capital</i> £000 | <i>Share premium</i> £000 | <i>Profit and loss</i> £000 | <i>Total</i> £000 |
|---------------------|----------------------------------|----------------------------------|------------------------------------|----------------------|
| At 1 January 2017 | - | - | 3,531 | 3,531 |
| At 31 December 2017 | <u>-</u> | <u>-</u> | <u>3,531</u> | <u>3,531</u> |

HCA UK Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2017

1. ACCOUNTING POLICIES

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

Statement of compliance

HCA UK Investments Limited is a company incorporated in England.

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

The results of HCA UK Investments Limited are included in the consolidated financial statements of HCA Healthcare Inc, a company incorporated in the United States of America.

Basis of preparation

The financial statements of HCA UK Investments Limited for the year ended 31 December 2017 were authorised for issue by the Board of Directors on 26 September 2018.

The financial statements have been prepared 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
- (d) the requirement of Section 33 *Related Party Disclosures* paragraph 33.7

Basis of measurement

The financial statements have been prepared on the historical cost basis, except for investment properties, certain financial assets and financial liabilities which are measured at fair value as indicated in "significant accounting policies".

Going concern

The company has received a commitment of financial support from its parent HCA International Holdings 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 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 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:

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting judgements, estimates and assumptions (continued)

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.

Significant accounting policies

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially 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 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.

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 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

1. ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets (continued)

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 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 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.

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. OPERATING RESULT

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 £4,100 (2016: £1,100). There were no non-audit services provided during the year (2016: £nil).

3. DIRECTORS' REMUNERATION

The directors of the company are also directors of the holding company and fellow subsidiaries. The directors received total remuneration for the year of £1,667,000 (2016: £2,078,000), 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.

HCA UK Investments Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2017

4. DEBTORS

| | 2017 | 2016 |
|---|--------------|--------------|
| | £000 | £000 |
| Amounts due from other group undertakings | 3,529 | 7,938 |
| | <u>3,529</u> | <u>7,938</u> |

Intercompany balances receivable are held on an arm's length basis. The balances are repayable on demand of the company so have been presented within amounts falling due within one year.

5. CREDITORS: amounts falling due within one year

| | 2017 | 2016 |
|---|----------|--------------|
| | £000 | £000 |
| Loan amounts owed to other group undertakings | - | 1,704 |
| Amounts owed to other group undertakings | - | 2,705 |
| | <u>-</u> | <u>4,409</u> |

6 RELATED PARTY TRANSACTIONS

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

| <i>Related Party</i> | <i>Closing balance at year end</i> | 2017 | 2016 |
|---------------------------|---|----------|----------------|
| | | £000 | £000 |
| HCA International Limited | Loans to group undertakings | 3,529 | 7,938 |
| HCA International Limited | Loan amounts owed to other group undertakings | - | (2,705) |
| HCA UK Capital Limited | Amounts owed to other group undertakings | <u>-</u> | <u>(1,704)</u> |

7. FINANCIAL INSTRUMENTS

| | 2017 | 2016 |
|--|--------------|--------------|
| | £000 | £000 |
| <i>Financial assets that are debt instruments measured at amortised cost</i> | | |
| Loans to group undertakings | 3,529 | 7,938 |
| | <u>3,529</u> | <u>7,938</u> |
| <i>Financial liabilities measured at amortised cost</i> | | |
| Loan amounts owed to other group undertakings | - | 1,704 |
| Amounts owed to other group undertakings | - | 2,705 |
| | <u>-</u> | <u>4,409</u> |

HCA UK Investments Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2017

8. SHARE CAPITAL

| | 2017 | 2016 | 2017 | 2016 |
|--|------------|------------|----------|----------|
| | <i>No.</i> | <i>No.</i> | <i>£</i> | <i>£</i> |
| <i>Allotted, called up and fully paid:</i> | | | | |
| Ordinary shares of £1 each | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |

9. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is HCA International Holdings 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.