

Registered No. 03153595

HARLEY STREET CANCER CLINIC LIMITED

Report and Accounts

31 December 2014

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COMPANIES HOUSE

Harley Street Cancer Clinic Limited

Registered No. 03153595

DIRECTORS

J R Bugos

J Loyal

M T Neeb

SECRETARY

J Loyal

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

Bank of America

5 Canada Square

London

E14 5AQ

REGISTERED OFFICE

242 Marylebone Road

London

NW1 6JL

Harley Street Cancer Clinic Limited

Registered No. 03153595

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2014.

REVIEW OF THE BUSINESS

The company principally acts as a cancer clinic with provision of other related services.

The Harley Street Cancer Clinic Limited is one of the most prestigious and respected private hospitals in London. The company attracts some of the finest specialist consultants in cancer, cardiac and neurosciences from many of London's major teaching hospitals.

Above all else, the company is committed to the care and improvement of human life. In recognition of this commitment, the company strives to deliver high quality, cost effective healthcare.

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

	<i>2014</i>	<i>2013</i>	<i>Change</i>
	<i>£000</i>	<i>£000</i>	<i>%</i>
Turnover	11,979	11,975	0.0
Operating profit	5,389	5,520	(2.4)
Profit before tax	6,399	6,483	(1.3)
Average number of employees	68	68	0.0

In a competitive market, the company has continued perform strongly with turnover levels being sustained at a level of just under £12 million (2013: £11,975,000).

Operating profit has decreased 2.4% which is principally driven by a rise in employment costs from £3,379,000 to £3,578,000.

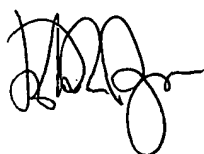
The company has ended the year in a strong financial position with net assets of £28,882,000 (2013: £23,902,000) and a net current asset position of £27,311,000 (2013: £21,481,000).

The company will continue to invest in the provision of cancer care in its commitment to improve human life.

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 has been mitigated by insurance and reviewed independently by external professional actuaries.

On behalf of the board



J R Bugos
Director

25 September 2015

Harley Street Cancer Clinic Limited

Registered No. 03153595

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2014.

REVIEW OF THE BUSINESS

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

DIVIDENDS

The directors do not propose the payment of a dividend for the year (2013: £nil).

DIRECTORS

The directors who served during the year were as follows:

J R Bugos
J Loyal
M T Neeb

FUTURE DEVELOPMENTS

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

EVENTS AFTER THE BALANCE SHEET DATE

No significant events affecting the company have occurred since the balance sheet date.

GOING CONCERN

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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.

Harley Street Cancer Clinic Limited

Registered No. 03153595

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

A handwritten signature in black ink, appearing to be 'J R Bugos', written in a cursive style.

J R Bugos
Director

25 September 2015

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 HARLEY STREET CANCER CLINIC LIMITED

We have audited the financial statements of Harley Street Cancer Clinic Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 18. 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).

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 Directors Report and Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARLEY STREET
CANCER CLINIC LIMITED (CONTINUED)

Matters on which we are required to report by exception

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 30/9/15

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

~~25 September 2015~~

Harley Street Cancer Clinic Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2014

	<i>Notes</i>	<i>2014</i> <i>£000</i>	<i>2013</i> <i>£000</i>
TURNOVER	2	11,979	11,975
Administrative expenses		(6,590)	(6,455)
OPERATING PROFIT	3	<u>5,389</u>	<u>5,520</u>
Interest receivable and similar income	6	1,921	1,803
Interest payable and other financial expenditure	7	(911)	(840)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>6,399</u>	<u>6,483</u>
Tax charge on profit on ordinary activities	8	(1,419)	(1,571)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	16	<u><u>4,980</u></u>	<u><u>4,912</u></u>

All activities relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

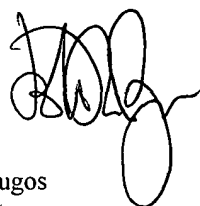
The company has no recognised gains or losses other than the profit of £4,980,000 for the year ended 31 December 2014 (2013: profit of £4,912,000) included above.

Harley Street Cancer Clinic Limited

BALANCE SHEET at 31 December 2014

	Notes	2014 £000	2013 £000
FIXED ASSETS			
Tangible fixed assets	9	<u>1,571</u>	<u>2,421</u>
		<u>1,571</u>	<u>2,421</u>
CURRENT ASSETS			
Stock	10	21	21
Debtors	11	72,526	65,752
Cash at bank and in hand		<u>1</u>	<u>-</u>
		72,548	65,773
CREDITORS: amounts falling due within one year	12	<u>(45,237)</u>	<u>(44,292)</u>
NET CURRENT ASSETS		27,311	21,481
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>28,882</u>	<u>23,902</u>
NET ASSETS		<u>28,882</u>	<u>23,902</u>
CAPITAL AND RESERVES			
Called up share capital	15,16	1	1
Capital reserve	16	300	300
Profit and loss account	16	28,581	23,601
EQUITY SHAREHOLDERS' FUNDS	16	<u>28,882</u>	<u>23,902</u>

These accounts were approved by the board of directors on 25 September 2015 and signed on its behalf by:



J R Bugos
Director

Harley Street Cancer Clinic Limited

NOTES TO THE ACCOUNTS

at 31 December 2014

1. ACCOUNTING POLICIES

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

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Going concern

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost less provision for impairment.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows:

Freehold buildings	–	between 10 and 40 years
Equipment, furniture and fittings	–	between 4 and 20 years

Leasehold land and buildings are amortised over 40 years, or the period of the lease, whichever is less. Freehold land is not depreciated.

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.

Stocks

Stocks, which consist mainly of drugs and consumable stores, are stated at the lower of invoiced cost and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business. Provision is made where necessary for obsolete, slow moving and defective stocks.

Turnover

Turnover consists primarily of net health care service revenues that are recorded based upon established billing rates less allowances for contractual adjustments. Estimates of contractual allowances under managed health care plans are based upon terms specified in the related contractual agreement.

Turnover is recognised at the point the health care services are provided.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange gains and losses are included in operating profit.

Leases

Operating lease rentals are charged to the profit and loss account in the period in which they are incurred.

1. ACCOUNTING POLICIES (CONTINUED)

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 balance sheet 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 balance sheet 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 balance sheet 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 balance sheet date.

Pension costs

The contributions to the HCA International Limited Final Salary Pension Scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme, as the company is only required to make contributions for the regular cost and therefore accounts for its contributions on a defined contribution basis.

Contributions to the defined contribution scheme are charged to the profit and loss account as they become payable. The company provides no other post retirement benefits to its employees. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Cash flow statement

In accordance with FRS 1 (Revised) these accounts do not include a cash flow statement, as the company is a wholly owned subsidiary of a parent undertaking whose accounts include a consolidated cash flow statement and are publicly available.

2. TURNOVER

Turnover, which is stated net of value added tax and discounts, represents the invoiced value of services provided. Turnover is recognised on the provision of services.

3. OPERATING PROFIT

This is stated after charging:

	2014 £000	2013 £000
Hire of plant and machinery	-	39
Operating lease rentals – buildings	754	583
Depreciation of own fixed assets	889	899

Harley Street Cancer Clinic Limited

NOTES TO THE ACCOUNTS (CONTINUED)

at 31 December 2014

3. OPERATING PROFIT (CONTINUED)

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 £22,000 (2013: £20,000). There were no non-audit services provided during the year (2013: £nil).

4. 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 £1,705,000 (2013: £2,563,000), 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.

5. STAFF COSTS

The average number of persons employed by the company during the year was 68 (2013: 68).

Employment costs of all employees comprised:

	2014 £000	2013 £000
Wages and salaries	3,121	2,956
Social security costs	360	344
Other pension costs	97	79
	<u>3,578</u>	<u>3,379</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £000	2013 £000
Interest receivable on intercompany trading balance	1,921	1,803
	<u>1,921</u>	<u>1,803</u>

7. INTEREST PAYABLE AND OTHER FINANCIAL EXPENDITURE

	2014 £000	2013 £000
Interest payable on intercompany loans	911	840
	<u>911</u>	<u>840</u>

Harley Street Cancer Clinic Limited

NOTES TO THE ACCOUNTS (CONTINUED)

at 31 December 2014

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the year:

	2014	2013
	£000	£000
UK current tax:		
UK corporation tax	1,473	1,642
Tax over provided in prior years	-	(26)
Total current tax	<u>1,473</u>	<u>1,616</u>
UK deferred tax:		
Origination and reversal of timing differences	(48)	(42)
Tax over provided in prior years	(6)	(3)
Total deferred tax credit (note 8(d))	<u>(54)</u>	<u>(45)</u>
Tax charge on profit on ordinary activities	<u>1,419</u>	<u>1,571</u>

(b) Factors affecting current tax charge:

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

	2014	2013
	£000	£000
Profit on ordinary activities before tax	6,399	6,483
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK, 21.49% (2013: 23.25%)	1,375	1,507
Effect of:		
Disallowed expenses and other permanent differences	66	114
Capital allowances in deficit of depreciation	56	46
Adjustments in respect of prior periods	-	(26)
Group relief exchanged for no consideration	(24)	(25)
Total current tax for the period	<u>1,473</u>	<u>1,616</u>

(c) Factors that may affect future tax charges:

The main rate of corporation tax reduced from 23% to 21% effective from 1 April 2014. Further reductions were substantively enacted last year reducing the rate to 20% effective from 1 April 2015.

The Chancellor has announced that the rate of UK Corporation Tax will fall to 19% from 1 April 2017 and to 18% from 1 April 2020, these rates have yet to be substantively enacted and therefore deferred tax continues, in these accounts, to be recorded at 20%.

Harley Street Cancer Clinic Limited

NOTES TO THE ACCOUNTS (CONTINUED) at 31 December 2014

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

(d) Deferred taxation:

	2014 £000	2013 £000
Asset at the beginning of the year	54	9
Profit and loss account credit for year	54	45
Asset at the end of the year	<u>108</u>	<u>54</u>

The deferred tax asset relates to capital allowances. The asset has been recognised as there are anticipated future taxable profits against which the asset can be utilised.

9. TANGIBLE FIXED ASSETS

	<i>Leasehold buildings</i> £000	<i>Equipment, furniture and fittings</i> £000	<i>Total</i> £000
Cost			
At 1 January 2014	2,084	4,342	6,426
Additions	-	39	39
Disposals	-	(1)	(1)
At 31 December 2014	<u>2,084</u>	<u>4,380</u>	<u>6,464</u>
Depreciation			
At 1 January 2014	1,209	2,796	4,005
Charge for the year	267	622	889
Disposals	-	(1)	(1)
At 31 December 2014	<u>1,476</u>	<u>3,417</u>	<u>4,893</u>
Net book value			
At 31 December 2014	<u>608</u>	<u>963</u>	<u>1,571</u>
At 31 December 2013	<u>875</u>	<u>1,546</u>	<u>2,421</u>

10. STOCKS

	2014 £000	2013 £000
Drugs and consumable stores	<u>21</u>	<u>21</u>

Harley Street Cancer Clinic Limited

NOTES TO THE ACCOUNTS (CONTINUED) at 31 December 2014

11. DEBTORS

	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
Trade debtors	1,486	2,380
Amounts due from other group companies	69,764	62,955
Prepayments and accrued income	1,155	341
Other debtors	13	22
Deferred tax asset (note 8 (d))	108	54
	<u>72,526</u>	<u>65,752</u>

12. CREDITORS: amounts falling due within one year

	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
Trade creditors	-	82
Amounts due to other group companies – loan	41,505	40,594
Corporation tax payable	3,116	3,089
Other creditors	79	-
Accruals and deferred income	537	527
	<u>45,237</u>	<u>44,292</u>

Although the loan due to other group companies is due within one year, the other group companies have indicated they would not enforce repayment. The loan is not secured.

13. OBLIGATIONS UNDER LEASES

Commitments to non-cancellable operating lease payments are as follows:

	<i>Buildings</i>	<i>Buildings</i>
	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
In respect of leases expiring:		
Within one year	-	-
Between two and five years	-	-
Over five years	710	571
	<u>710</u>	<u>571</u>

14. PENSION COMMITMENTS

Defined contribution scheme

The company 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 £87,000 (2013: £65,000). There were no outstanding contributions as at 31 December 2014 (2013: nil).

Defined benefit scheme

The company participates in a group funded defined benefit scheme in the UK, the HCA International Limited Final Salary Pension Scheme. The scheme is set up under a separate trust fund and the assets of the scheme are held separately from those of the group. The company's fellow group undertaking HCA International Limited is the sole participating employer in the scheme. The company is only required to make contributions for the regular cost and therefore accounts for its contributions on a defined contribution basis. The pension cost charged to the profit and loss account is calculated by an independent qualified actuary. The pension cost for the year was £10,000 (2013: £14,000).

During 2013 the HCA International Limited Final Salary Pension Scheme was closed to future accruals. The accounting impacts of this closure have been reflected within the financial statements of HCA International Limited, the nominated member who holds the pension liability.

15. SHARE CAPITAL

	2014	2013	2014	2013
	No.	No.	£	£
<i>Allotted, called up and fully paid:</i>				
"A" shares at £1	75	75	75	75
"B" shares at £1	270	270	270	270
"C" shares at £1	270	270	270	270
	<u>615</u>	<u>615</u>	<u>615</u>	<u>615</u>

The "A", "B" and "C" shares rank in all respects as a single class of shares. "B" and "C" shareholders are corporate shareholders and may not transfer shares except to a member of the same group.

Harley Street Cancer Clinic Limited

NOTES TO THE ACCOUNTS (CONTINUED)

at 31 December 2014

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital £000</i>	<i>Share premium account £000</i>	<i>Profit and loss account £000</i>	<i>Total shareholders' funds £000</i>
At 1 January 2013	1	300	18,689	18,990
Profit for the year	-	-	4,912	4,912
At 1 January 2014	1	300	23,601	23,902
Profit for the year	-	-	4,980	4,980
At 31 December 2014	1	300	28,581	28,882

17. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 not to disclose transactions entered into between two or more members of the group, given that the subsidiary undertaking which is a party to the transaction is wholly owned by a member of the group.

18. 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 Holdings Inc., which is incorporated in the United States of America. HCA Holdings 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 can be obtained from HCA, Investor Relations, One Park Plaza, I-4W, Nashville, TN 37203, USA.