

Registered No. 03020522

HCA INTERNATIONAL LIMITED

Report and Accounts

31 December 2012

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COMPANIES HOUSE

HCA International Limited

Registered No 03020522

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 Johns 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

HCA International Limited

Registered No 03020522

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activity continues to be the provision of healthcare services. The company is engaged in the operation of the following private hospitals: The Harley Street Clinic, The Portland Hospital, The Princess Grace Hospital and The Wellington Hospital. The company had entered into several joint ventures with doctors to offer improved services to patients and a joint venture with the NHS had also been established at the Christie Clinic in Manchester. During 2011 the company also acquired Enhancecorp Limited, Glynne Medical Practice Limited and Roodlane Medical Limited. 2012 saw the company also invest in Blossoms Healthcare LLP.

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

	2012 £000	2011 £000	Change %
Turnover	395,977	353,053	+12.2%
Profit before tax	60,375	61,691	-2.1%
Average number of employees	2,638	2,538	+3.9%
Patient days	108,240	101,189	+7.0%

Turnover increased by 12.2% during the year due to increased inpatient, day case and outpatient revenues throughout the business, as well as increased patient days.

Profit before tax decreased by 2.1% which is driven by an increase in associated costs such as staff costs, supplies and professional fees.

The directors do not expect any significant change in performance in 2013.

RESULTS AND DIVIDENDS

The profit after taxation for the year was £54,694,000 (2011: profit of £47,299,000). The directors do not propose the payment of a dividend for the year (2011: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk arising from the company's business is the uncertainty of medical indemnities. The company bears the risk for the HCA UK group. The company's exposure is mitigated by insurance and has been reviewed independently by an external professional actuary and the company has provided in the accounts in line with their assessment.

As the company employs a large number of staff, it needs to ensure that its pension fund is sufficient to meet all liabilities as they fall due. The scheme assets are held separately and full actuarial valuations are carried out regularly by a qualified independent actuary. The net pension liability is supported by this valuation.

DIRECTORS

The directors who served during the year were as follows:

J Loyal
M T Neeb
J R Bugos

DIRECTORS' REPORT (CONTINUED)

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.

EMPLOYEE INVOLVEMENT

The company strongly believes in the importance of good employee communications and encourages participation at all levels. To encourage employee participation the company has regular meetings to discuss topics of employee concern and to inform staff of the financial and economic factors affecting the performance of the company.

DISABLED PERSONS

In the company's employee recruitment practices, full consideration is given to job applications from disabled persons. Candidates are selected and appointed on the basis of their ability to perform the duties of the job. Encouragement is given in training, career development and promotion of all employees according to the opportunities available, organisational requirements and individual aptitudes and abilities. This policy includes disabled employees, for whom any further necessary training is arranged taking account of their particular needs and the resources required to meet them.

The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

CHARITABLE DONATIONS

The charitable donations for the year were £7,300 (2011 £327,674), the individual charitable donations were

	2012 £
Christie Hospital NHS Foundation	2,820
Chain of Hope	1,400
St John's Hospice	1,000
Dreamflight	850
British Red Cross	680
Save the Children	300
Sam Beare Hospice	250

DIRECTORS' REPORT (CONTINUED)

SUPPLIER PAYMENT POLICY

The company agrees the terms of payment with suppliers for each transaction and ensures that the suppliers are made aware of the terms of payment. The company abides by such terms of payment as agreed. The number of days' purchases outstanding for payment at 31 December 2012 was 20 days (2011: 18 days).

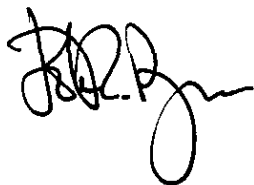
DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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.

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 Bugos
Director

25 September 2013

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparations and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCA INTERNATIONAL LIMITED

We have audited the financial statements of HCA International Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 25. 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 to identify material inconsistencies with the audited financial statements. 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 2012 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 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 HCA INTERNATIONAL 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

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

25 September 2013

HCA International Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2012

	<i>Notes</i>	<i>2012</i> <i>£000</i>	<i>2011</i> <i>£000</i>
TURNOVER	2	395,977	353,053
Administrative expenses and other operating income		(344,910)	(297,450)
OPERATING PROFIT	3	<u>51,067</u>	<u>55,603</u>
Investment income		9,305	3,865
Interest receivable and similar income	6	13,464	12,050
Interest payable and similar charges	7	(13,239)	(10,282)
Other finance (charges) / income	8	(222)	455
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>60,375</u>	<u>61,691</u>
Tax charge on profit on ordinary activities	9	(5,681)	(14,392)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	18	<u>54,694</u>	<u>47,299</u>

All activities relate to continuing operations

HCA International Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2012

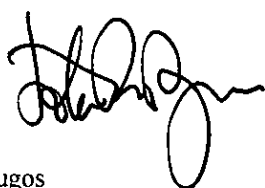
	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
PROFIT FOR THE FINANCIAL YEAR	<u>54,694</u>	<u>47,299</u>
	54,694	47,299
Pension scheme movements		
- actuarial gain/(loss) on plan assets	5,806	(3,318)
- actuarial (loss) on benefit obligations	(10,444)	(6,146)
- tax credit attributable to pension movements in the year	1,067	2,366
TOTAL RECOGNISED GAINS AND LOSSES IN THE YEAR	<u>51,123</u>	<u>40,201</u>

HCA International Limited

BALANCE SHEET at 31 December 2012

	Notes	2012 £000	2011 £000
FIXED ASSETS			
Intangible assets	10	6,609	8,317
Tangible fixed assets	11	177,447	168,429
Investments	12	52,701	39,375
		<u>236,757</u>	<u>216,121</u>
CURRENT ASSETS			
Stocks	13	9,047	8,531
Debtors	14	604,020	531,021
Cash at bank and in hand		1,369	91
		<u>614,436</u>	<u>539,643</u>
CREDITORS: amounts falling due within one year	15	(437,593)	(392,711)
NET CURRENT ASSETS		<u>176,843</u>	<u>146,932</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		413,600	363,053
PROVISIONS FOR LIABILITIES AND CHARGES	16	(9,353)	(10,681)
NET ASSETS EXCLUDING PENSION LIABILITY		404,247	352,372
PENSION LIABILITY	21	(9,247)	(8,723)
NET ASSETS		<u>395,000</u>	<u>343,649</u>
CAPITAL AND RESERVES			
Called up share capital	17,18	40,751	40,751
Share premium account	18	114,607	114,607
Capital reserve	18	5,475	5,475
Profit and loss account	18	234,167	182,816
		<u>395,000</u>	<u>343,649</u>

These accounts were approved by the board of directors on 25 September 2013 and signed on its behalf by



J R Bugos
Director

NOTES TO THE ACCOUNTS (CONTINUED) at 31 December 2012

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.

Goodwill

Goodwill arising on the purchase of subsidiary undertakings since 1 January 1998 is capitalised and amortised over its useful economic life, of not greater than 20 years, in the absence of indicators of impairment. In accordance with FRS 10, the company has elected that goodwill arising prior to 31 December 1997, previously eliminated against reserves, will not be reinstated.

Intangible fixed assets

Intangible fixed assets are stated at cost and are amortised at rates calculated to write off the assets on a straight basis over their estimated useful economic lives. Assessment for impairment is made annually if changes in circumstances indicate the carrying value may not be recoverable.

The referral agreement is amortised over a 77 month period which represents the remaining life of the agreement following its acquisition from Hamsard 3160 Limited on 22 February 2011.

Investments

Investments are recorded at the lower of cost or net realisable value. The carrying values of investments are reviewed for impairment on an annual basis or when events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets

Tangible fixed assets are stated at cost. Provision for depreciation is made so as to write off the cost of tangible fixed assets 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:

Freehold buildings	–	between 2.5% and 10%
Equipment, furniture and fittings	–	between 5% and 25%

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.

NOTES TO THE ACCOUNTS (CONTINUED) at 31 December 2012

1. ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the exchange rates ruling at the date of the 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.

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 and are publicly available.

Pension costs

Pension costs for the defined contribution scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

In accordance with FRS 17 "Retirement Benefits", the assets of the defined benefit scheme are measured at their market value at the balance sheet date and the liabilities of the scheme are measured using the projected unit method. The discount rate used is the current rate of return on AA bonds of appropriate term and currency to the liabilities. The extent to which the scheme's assets exceed/fall short of their liabilities is shown as a surplus/deficit in the balance sheet to the extent that a surplus is recoverable by the group or that a deficit represents an obligation of the group.

The regular service cost of providing retirement benefits to employees during the year is charged to operating profit in the year. A credit in respect of the expected return on the scheme's assets and a charge in respect of the increase during the period in the present value of the schemes' liabilities, because the benefits are one period closer to settlement, are included in net interest. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

The company provides no other post retirement benefits to its employees.

Share based payments

In accordance with FRS 20 "Share-Based Payment", the fair value of options and share awards which ultimately vest are charged to the profit and loss account over the vesting or performance period. HCA Holdings Inc operates various equity-settled schemes in which the company's employees participate.

For equity-settled share options, the services received from employees are measured by reference to the fair value of the share options. The fair value is calculated at grant date using the Black-Scholes option pricing model and recognised in the profit and loss account, together with a corresponding increase in shareholders' equity, on a straight-line basis over the vesting period, based on an estimate of the number of options that will eventually vest. Vesting conditions, other than market conditions, are not taken into account when estimating the fair value. Market conditions are those conditions that are linked to the share price at the date of grant.

For equity-settled share award schemes, the fair value is calculated based on the share price at the grant date and, where applicable, any market vesting conditions, and expensed over the vesting period based on the number of shares expected to vest. No expense is recognised for awards that do not ultimately vest, with the exception of awards where vesting is conditional upon a market condition, these are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are met.

NOTES TO THE ACCOUNTS (CONTINUED) at 31 December 2012

1 ACCOUNTING POLICIES (CONTINUED)

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 healthcare services are provided.

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, with the following exceptions:

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.

Reclassification

A reclassification of deferred consideration has been made to provisions for liabilities and charges from creditors. The reclassification has been made as deferred contingent consideration is an estimated liability and therefore represents the characteristics of provisions under FRS 12 Provisions, Contingent Liabilities and Contingent Assets. As this is a balance sheet reclassification only with no impact to net assets or profit and loss, a prior year adjustment note has not been prepared.

2. TURNOVER

Turnover is attributable to continuing operations and was derived from one principal activity, the provision of healthcare services within the United Kingdom.

3 OPERATING PROFIT

This is stated after charging / (crediting)

	2012	2011
	£000	£000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	67	70
Fees payable to the Company's auditor for other services		
- Taxation services	474	218
Operating lease rentals - plant and machinery	2,000	2,240
- buildings	12,147	11,158
Depreciation of owned fixed assets	22,637	17,852
Amortisation of intangible asset	1,708	1,444
(Gain)/loss on foreign exchange	(166)	4
Loss on disposal of fixed assets	8	15
Property rental income	(324)	(281)

HCA International Limited

NOTES TO THE ACCOUNTS (CONTINUED) at 31 December 2012

4. DIRECTORS' REMUNERATION

	2012 £000	2011 £000
Emoluments (excluding pension contributions)	3,411	3,864
Company contributions to money purchase pension schemes	18	17
	2012 No	2011 No
Members of money purchase scheme	3	2
Members of defined benefit schemes	1	1
Members who exercised options over shares in HCA Holdings Inc	1	-
Highest paid director	2012 £000	2011 £000
Emoluments (excluding pension contributions)	1,919	1,781
Company contributions paid to money purchase pension schemes	10	9

In addition to their remuneration, a number of the directors were granted options under the HCA Holdings Inc equity incentive plans

5. STAFF COSTS

The average number of persons employed by the company (including executive directors) during the year is analysed below

	2012 No	2011 No
The Wellington Hospital	736	724
The Princess Grace Hospital	382	387
The Portland Hospital	491	447
The Harley Street Clinic	402	417
HCA Laboratory	90	86
Central Administration	318	321
Harley Street at UCH	65	59
Harley Street at Queens	28	26
Platinum Medical Centre	106	63
Harley Street Outpatients Department	20	8
	2,638	2,538

HCA International Limited

NOTES TO THE ACCOUNTS (CONTINUED) at 31 December 2012

5 STAFF COSTS (CONTINUED)

The company also employs agency and medical ancillary staff on a temporary basis when required

Employment costs of all employees included above comprised

	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	117,375	105,487
Social security costs	11,823	10,691
Other pension costs	1,853	2,739
	<u>131,051</u>	<u>118,917</u>

Wages and salaries includes £228,000 (2011 £143,000) in relation to equity settled share based payment schemes

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Bank interest receivable	1	3
Interest receivable on intercompany loans	5,394	12,047
Interest receivable on intercompany trading balances	8,069	-
	<u>13,464</u>	<u>12,050</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Interest payable on intercompany loans	1,847	10,282
Interest payable on intercompany trading balances	11,325	-
Other interest and charges	67	-
	<u>13,239</u>	<u>10,282</u>

8. OTHER FINANCE CHARGES / (INCOME)

	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Expected return on pension scheme assets	(4,354)	(5,073)
Interest payable on pension liabilities	4,576	4,618
	<u>222</u>	<u>(455)</u>

NOTES TO THE ACCOUNTS (CONTINUED)
at 31 December 2012

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of tax charge in the year:

	2012	2011
	£000	£000
UK current tax:		
UK corporation tax	11,293	9,323
Tax underprovided in prior years	1,539	306
	<u>12,832</u>	<u>9,629</u>
UK deferred tax:		
Origination and reversal of timing differences	(1,205)	1,848
Deferred tax (over)/underprovided in prior years	(5,685)	2,866
Restatement of closing pension balance regarding tax rate change	233	147
Adjustment to deferred tax regarding tax rate	(494)	(98)
Total deferred tax (credit) / expense	<u>(7,151)</u>	<u>4,763</u>
Tax charge on profit on ordinary activities	<u>6,790</u>	<u>14,392</u>

b) Factors affecting current tax charge:

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

	2012	2011
	£000	£000
Profit on ordinary activities before tax	60,375	61,691
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	14,792	16,342
Effect of		
Disallowed expenses and other timing differences	1,796	2,498
Capital allowances in excess of depreciation	784	(679)
Other timing differences	322	(91)
Adjustments in respect of prior periods	1,539	306
Group relief received for no consideration	(6,401)	(8,747)
Current tax charge for the year	<u>12,832</u>	<u>9,629</u>

c) Factors that may affect future tax charges

The main rate of corporation tax will reduce from 24% to 23% effective from 1 April 2013. This change was enacted on 17 July 2012. As a result the disclosure of deferred tax has been adjusted to reflect the enactment.

In the Autumn statement of 5 December 2012 it was announced that the main rate of corporation tax will be 21% effective from 1 April 2014 instead of 22% as previously announced. The UK budget of 20 March 2013 announced a further reduction to 20% effective 1 April 2015. As this legislation was not enacted or substantively enacted by the balance sheet date it has not been reflected within these financial statements.

HCA International Limited

NOTES TO THE ACCOUNTS (CONTINUED) at 31 December 2012

10. INTANGIBLE ASSET

	<i>Goodwill</i>	<i>Referral agreement</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
<i>Cost:</i>			
At 1 January 2012	3,658	6,103	9,761
Additions	-	-	-
At 31 December 2012	<u>3,658</u>	<u>6,103</u>	<u>9,761</u>
<i>Amortisation:</i>			
At 1 January 2012	549	895	1,444
Provided during the period	731	977	1,708
At 31 December 2012	<u>1,280</u>	<u>1,872</u>	<u>3,152</u>
<i>Net book value:</i>			
At 31 December 2012	<u>2,378</u>	<u>4,231</u>	<u>6,609</u>
At 31 December 2011	<u>3,109</u>	<u>5,208</u>	<u>8,317</u>

The goodwill arose on the acquisition of Enhancecorp Limited on 18 March 2011

The referral agreement was part of the acquisition of the London Oncology Clinic LLP on 4 May 2010 by Hamsard 3160 Limited. The partners now treat patients in LOC Partnership LLP, referring patients to HCA hospitals, always subject to the clinical needs of the patient.

HCA International Limited acquired the referral agreement from Hamsard 3160 Limited on 22 February 2011 for consideration of £6.1 million.

HCA International Limited

NOTES TO THE ACCOUNTS (CONTINUED) at 31 December 2012

11. TANGIBLE FIXED ASSETS

	<i>Land £000</i>	<i>Buildings £000</i>	<i>Equipment, furniture and fittings £000</i>	<i>Construction in progress £000</i>	<i>Total £000</i>
Cost:					
At 1 January 2012	31,738	145,719	70,116	20,730	268,303
Additions	-	173	5,475	26,004	31,652
Reclassifications	-	21,102	20,133	(41,235)	-
Intercompany transfer	-	47	(36)	-	11
Disposals	-	(5,397)	(5,790)	-	(11,187)
At 31 December 2012	<u>31,738</u>	<u>161,644</u>	<u>89,898</u>	<u>5,499</u>	<u>288,779</u>
Depreciation:					
At 1 January 2012	-	67,188	32,686	-	99,874
Charge for the year	-	10,401	12,236	-	22,637
Disposals	-	(5,391)	(5,788)	-	(11,179)
At 31 December 2012	<u>-</u>	<u>72,198</u>	<u>39,134</u>	<u>-</u>	<u>111,332</u>
Net book value:					
At 31 December 2012	<u>31,738</u>	<u>89,446</u>	<u>50,764</u>	<u>5,499</u>	<u>177,447</u>
At 31 December 2011	<u>31,738</u>	<u>78,531</u>	<u>37,430</u>	<u>20,730</u>	<u>168,429</u>

12. INVESTMENTS

	<i>£000</i>
Cost:	
At 1 January 2012	39,375
Additions	13,326
At 31 December 2012	<u>52,701</u>

The company acquired Blossoms Healthcare LLP on 5 April 2012 for consideration of £6.9m. It also increased its investments in Hamsard 3160 Limited and The Christie Clinic LLP.

NOTES TO THE ACCOUNTS (CONTINUED)
at 31 December 2012

12. INVESTMENTS (CONTINUED)

The company's principal subsidiaries and associated undertakings are as follows

<i>Entity</i>	<i>Country of incorporation</i>	<i>Group equity interest</i>	<i>Nature of business</i>
HCA Staffing Limited	England	100%	Employer of temporary staff
HCA UK Limited	England	100%	Leasing of specialist equipment
Wellington Diagnostic Services LLP	England	60.7%	Provision of healthcare services
Galen Health Partners Limited	England	100%	Provision of admin services
Robotic Radiosurgery LLP	England	80.7%	Provision of healthcare services
Hamsard 3160 Limited	England	85.2%	Holding company
Sarah Cannon Research UK Limited	England	100%	Provision of healthcare services
Chelsea Outpatient Centre LLP	England	51%	Provision of healthcare services
Harley Street @ The Groves LLP	England	67%	Provision of healthcare services
LOC @ The London Bridge Hospital LLP	England	72.6%	Provision of healthcare services
PET CT LLP	England	85.2%	Provision of healthcare services
The Christie Clinic LLP	England	51%	Provision of healthcare services
LOC @ The Wellington Hospital LLP	England	85.2%	Provision of healthcare services
Leaders In Oncology Care Limited	England	85.2%	Holding company
LOC Partnership LLP	England	77 %	Provision of healthcare services
HCA Purchasing Limited	England	100%	Holding company
Roodlane Medical Limited	England	90%	Provision of healthcare services
The Glynne Medical Practice Limited	England	100%	Provision of healthcare services
LOC @ The Christie LLP	England	44.3%	Provision of healthcare services
Blossoms Healthcare LLP	England	70%	Provision of healthcare services
The London Breast Institute Limited	BVI	100%	Provision of healthcare services
HealthTrust Europe LLP	England	19.5%	Provision of procurement services

13 STOCKS

	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Drugs and consumable stores	<u>9,047</u>	<u>8,531</u>

NOTES TO THE ACCOUNTS (CONTINUED)
at 31 December 2012

14 DEBTORS

	2012	2011
	£000	£000
Trade debtors	83,071	61,649
Amounts due from parent company	299,394	277,744
Amounts due from other group companies	147,693	117,672
Prepayments and accrued income	37,203	37,396
UK corporation tax recoverable	33,017	34,565
Deferred tax asset (note 17)	1,379	-
Other debtors	2,263	1,995
	<u>604,020</u>	<u>531,021</u>

15. CREDITORS amounts falling due within one year

	2012	2011*
	£000	£000
Trade creditors	10,077	8,657
Amounts owed to parent company	51,759	44,176
Amounts owed to other group companies	302,907	272,663
Accruals and deferred income	66,624	61,341
Taxation and social security	6,226	5,874
	<u>437,593</u>	<u>392,711</u>

*A reclassification of deferred consideration has been made to provisions for liabilities and charges from creditors. The reclassification has been made as deferred contingent consideration is an estimated liability and therefore represents the characteristics of provisions under FRS 12 *Provisions, Contingent Liabilities and Contingent Assets*. As this is a balance sheet reclassification only with no impact to net assets or profit and loss, a prior year adjustment note has not been prepared.

Although amounts due to parent and other group companies are due within one year, the parent and other group companies have indicated that they would not enforce repayment.

NOTES TO THE ACCOUNTS (CONTINUED)
at 31 December 2012

16. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Deferred taxation</i>	<i>Deferred consideration</i>	<i>Other provision</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Provisions at the start of the year*	6,005	3,753	923	10,681
Additions	-	5,728	-	5,728
Utilisation of provision	-	(1,874)	-	(1,874)
Unwinding of discount	-	459	-	459
Adjustment for change in assumptions	-	567	-	567
Deferred tax over provided in prior years	(8)	-	-	(8)
Released during the year	(5,997)	-	(203)	(6,200)
Provisions at the end of the year	-	8,633	720	9,353

*A reclassification of deferred consideration has been made to provisions for liabilities and charges from creditors. The reclassification has been made as deferred contingent consideration is an estimated liability and therefore represents the characteristics of provisions under FRS 12 *Provisions, Contingent Liabilities and Contingent Assets*. As this is a balance sheet reclassification only with no impact to net assets or profit and loss, a prior year adjustment note has not been prepared.

Deferred tax

Deferred taxation provided in the accounts is as follows

	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Accelerated capital allowances	1,454	7,754
Other timing differences	(2,833)	(1,749)
Deferred tax (asset) / liability	(1,379)	6,005

A deferred tax asset has been recognised as it is in the opinion of the directors that there will be suitable taxable gains in the foreseeable future to utilise against

Deferred tax relating to the pension liability is disclosed with the pension amount under FRS 17. This amounted to £2,762,000 at 31 December 2012 (2011 £2,908,000). The current year movement in deferred tax relating to the pension liability is £146,000, of which a credit of £1,067,000 is included in the Statement of Total Recognised Gains and Losses and a charge of £1,213,000 is included in the Profit and Loss Account.

Deferred consideration

Deferred consideration is payable for Roodlane Medical Limited, Glynne Medical Practice Limited, London Oncology Clinic LLP and Blossoms Healthcare LLP and is contingent on meeting certain criteria. Of the £8,633,000 payable, £2,426,000 is due within one year. The remaining liability of £6,207,000 is due within two to five years.

Other provision

The other provision is held to cover any retained medical indemnity liabilities within the HCA UK group. External professional actuaries have performed an independent review of the exposure of HCA International Limited to such liabilities and the provision held is in line with their assessment. The timing of cash outflows associated with medical indemnity liabilities cannot be reasonably determined.

HCA International Limited

NOTES TO THE ACCOUNTS (CONTINUED) at 31 December 2012

17. SHARE CAPITAL

	2012 No	2011 No	2012 £	2011 £
Authorised, allotted, called up and fully paid				
Ordinary Shares				
Ordinary shares at £1 each	40,000,000	40,000,000	40,000,000	40,000,000
'A' Ordinary shares at US\$0 01 each	75,000	75,000	490	490
'B' Ordinary shares at US\$0 01 each	37,500	37,500	245	245
'C' Ordinary shares at US\$0 01 each	37,500	37,500	245	245
			<u>40,000,980</u>	<u>40,000,980</u>
Deferred shares				
Deferred 'A' shares at £9 each	75,000	75,000	675,000	675,000
Deferred 'B' shares at £1 each	37,500	37,500	37,500	37,500
Deferred 'C' shares at £1 each	37,500	37,500	37,500	37,500
			<u>750,000</u>	<u>750,000</u>
Preference shares				
Preference share at £1 each	1	1	1	1
			<u>1</u>	<u>1</u>
			<u>40,750,981</u>	<u>40,750,981</u>

The rights to dividends of the ordinary shares are as follows

40,000,000 Ordinary shares at £1 and their rights do not vary according to circumstances

75,000 'A' Ordinary shares at US\$0 01 each are not redeemable and their rights do not vary according to circumstances

The Ordinary shares of £1 each have the same rights as the 'A' Ordinary shares of US\$0 01 each and rank pari passu in all respects with such shares

The Ordinary shares and the 'A' Ordinary shares have rights to 50 5% of the profits available for distribution and determined by the directors On liquidation, the payment of £50 in proportion to the amounts paid up and then pari passu There are 3 votes for every 'A' Ordinary share

37,500 'B' Ordinary shares at US\$0 01 each are not redeemable and their rights do not vary according to circumstances They have rights to 25% of the profits available for distribution and determined by the directors On liquidation, the payment should be pari passu with the other shares There are 2 votes for every 'B' Ordinary share

37,500 'C' Ordinary shares at US\$0 01 each are not redeemable and their rights do not vary according to circumstances They have rights to 24 5% of the profits available for distribution and determined by the directors On liquidation, the payment should be pari passu with the other shares There are no voting rights associated with each 'C' Ordinary share

NOTES TO THE ACCOUNTS (CONTINUED)
at 31 December 2012

20. SHARE CAPITAL (CONTINUED)

The deferred shareholders are not entitled to the profits of the company and are only entitled to the assets of the company after the holders of every other class of share have received the sum of £10,000,000 in respect of each share held. The deferred shareholders are not entitled to receive notice of or attend and vote at any general meeting of the company. The company has the power and authority at any time to repurchase the deferred shares for an aggregate consideration of £1.

There is one £1 preference share which is not redeemable and its rights do not vary according to circumstances. It has rights to 2% of net revenues less £400,000. On liquidation, it is first in preference for its face value and accrued dividends. There are no voting rights associated with the preference share. The preference shareholder has waived their right to preference dividends for the year. This has been treated as a financial liability in accordance with "FRS 25 – Financial Instruments: Presentation and Disclosure".

20. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital</i>	<i>Share premium</i>	<i>Capital reserve</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 January 2011	40,751	114,607	5,475	142,472	303,305
Profit for the year	-	-	-	47,299	47,299
Actuarial loss recognised on the pension scheme	-	-	-	(9,464)	(9,464)
Deferred tax relating to actuarial gain on the pension scheme	-	-	-	2,366	2,366
Share-based payments	-	-	-	143	143
At 1 January 2012	40,751	114,607	5,475	182,816	343,649
Profit for the year	-	-	-	54,694	54,694
Actuarial loss recognised on the pension scheme	-	-	-	(4,638)	(4,638)
Deferred tax relating to actuarial gain on the pension scheme	-	-	-	1,067	1,067
Share-based payments	-	-	-	228	228
At 31 December 2012	40,751	114,607	5,475	234,167	395,000

HCA International Limited

NOTES TO THE ACCOUNTS (CONTINUED) at 31 December 2012

20. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES (CONTINUED)

The cumulative amount of goodwill that remains eliminated against reserves at 31 December 2012 is £32,401,000 (2011 £32,401,000)

	2012 Reserves £000	2011 Reserves £000
Profit and loss reserve excluding pension liability	243,414	191,600
Pension liability	(9,247)	(8,723)
Profit and loss reserve	<u>234,167</u>	<u>182,816</u>

20. OBLIGATIONS UNDER LEASES

Commitments to non-cancellable operating lease payments are as follows

	Equipment 2012 £000	Equipment 2011 £000	Buildings 2012 £000	Buildings 2011 £000
In respect of leases expiring				
In one year	752	474	56	211
Between two and five years	698	1,474	1,180	990
After five years	-	-	11,731	11,446
	<u>1,450</u>	<u>1,948</u>	<u>12,967</u>	<u>12,647</u>

20. COMMITMENTS

Capital expenditure

	2012 £000	2011 £000
Expenditure contracted for but not provided for	<u>7,394</u>	<u>12,821</u>

21. PENSION LIABILITY

Defined contribution scheme

The company operates a defined contribution scheme in the UK, the HCA International Limited Staff Retirement Benefits Scheme. The pension cost for the year was £935,000 (2011 £821,000). There were outstanding contributions at 31 December 2012 of £291,000 (2011 £254,000).

Defined benefit scheme

The company operates a UK defined benefit pension plan whereby benefits are determined with reference to an employee's final salary.

The pension expense charged to the profit and loss account makes no allowance for actuarial gains and losses during the year. Actuarial gains and losses are instead recognised in the Statement of Total Recognised Gains and Losses (STRGL) in the year that they occur. The measurement of the defined benefit obligation includes no allowance for any future discretionary increases to pensions in payment.

HCA International Limited

NOTES TO THE ACCOUNTS (CONTINUED) at 31 December 2012

21 PENSION LIABILITY (CONTINUED)

	2012 £000	2011 £000
Change in benefit obligation		
Benefit obligation at beginning of year	98,617	87,867
Current service cost	1,616	1,449
Interest cost	4,576	4,618
Plan participants' contributions	102	115
Actuarial loss	10,444	6,146
Recognition of past service cost	-	469
Benefits paid	(2,614)	(2,047)
Benefit obligation at end of year	<u>112,741</u>	<u>98,617</u>
Analysis of defined benefit obligation		
Plans that are wholly or partly funded	112,741	98,617
Plans that are wholly unfunded	-	-
Total defined benefit obligation	<u>112,741</u>	<u>98,617</u>
Change in plan assets		
Fair value of plan assets at beginning of year	86,986	80,522
Expected return on plan assets	4,354	5,073
Actuarial gain/(loss)	5,806	(3,318)
Employer contributions	6,098	6,641
Plan participants' contributions	102	115
Benefits paid	(2,614)	(2,047)
Fair value of plan assets at the end of the year	<u>100,732</u>	<u>86,986</u>
Amounts recognised in the balance sheet		
Present value of wholly or partly funded obligations	112,741	98,617
Fair value of plan assets	<u>100,732</u>	<u>86,986</u>
Deficit for funded plans	<u>12,009</u>	<u>11,631</u>
Net liability	<u>12,009</u>	<u>11,631</u>
Components of pension cost		
<i>Amounts recognised in profit and loss statement</i>		
Current service cost	1,616	1,449
Interest cost	4,576	4,618
Expected return on plan assets	(4,354)	(5,073)
Past service cost	-	469
Total pension cost recognised in the Profit and Loss Account	<u>1,838</u>	<u>1,463</u>
<i>Actual return on assets</i>		
Actual return on plan assets	<u>10,160</u>	<u>1,755</u>

NOTES TO THE ACCOUNTS (CONTINUED)
at 31 December 2012

21. PENSION LIABILITY (CONTINUED)

	2012 £000	2011 £000
Components of pension cost (continued)		
<i>Amounts recognised in STRGL</i>		
Actuarial losses immediately recognised	4,638	9,464
Total pension cost recognised in the STRGL	4,638	9,464
<i>Cumulative amount of actuarial losses recognised</i>	14,673	10,035
Principal actuarial assumptions		
<i>Weighted-average assumptions to determine benefit obligations</i>		
Discount rate	4.50%	4.70%
Rate of salary increase	3.90%	4.00%
Rate of price inflation (RPI)	2.90%	3.00%
Rate of price inflation (CPI)	2.20%	2.30%
Rate of pension increases (5% or RPI if lower)	2.80%	2.90%
<i>Weighted-average assumptions to determine net pension cost</i>		
Discount rate	4.70%	5.30%
Expected long-term rate of return on plan assets	4.80%	6.00%
Rate of salary increase	4.00%	4.40%
Rate of price inflation (RPI)	3.00%	3.40%
Rate of price inflation (CPI)	2.30%	2.90%
Rate of pension increase (5% or RPI if lower)	2.90%	3.30%
<i>Assumed life expectations on retirement at age 65</i>		
Retiring today (male member age 65)	22.7 years	22.8 years
Retiring in 20 years (male member age 45 today)	24.8 years	24.8 years
Plan assets		
<i>Percentage of plan assets by asset allocation</i>		
Equity securities	43.0%	44.1%
Government bonds	8.9%	10.6%
Corporate bonds	8.9%	8.9%
Absolute return hedge fund	13.3%	14.7%
Non-profit bulk annuity policy	21.0%	21.3%
Property	4.5%	-
Other (cash)	0.4%	0.4%
	100.0%	100.0%
<i>Expected return on assets by asset allocation (net of expenses)</i>		
Equity securities	5.50%	5.50%
Government bonds	2.50%	2.50%
Corporate bonds	3.50%	4.20%
Absolute return hedge fund	5.50%	5.50%
Non-profit bulk annuity policy	4.00%	4.20%
Property	5.00%	-
Other (cash)	(0.25)%	(0.25)%
	4.70%	4.80%

NOTES TO THE ACCOUNTS (CONTINUED)
at 31 December 2012

21. PENSION LIABILITY (CONTINUED)**Plan assets (continued)***Description of basis to determine the overall expected rate of return on assets*

To develop the expected long-term rate of return on assets assumption, the company considered the current level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the actual asset allocation to develop the expected long-term rate of return on assets assumption which is applicable for the 2013 asset portfolio. A deduction of 0.5% p.a. was made to allow for the plan expenses to be met out of the plan assets. This resulted in the selection of the 4.7% p.a. assumption for 2013.

History of experience gains and losses

	2012	2011	2010	2009	2008
	£000	£000	£000	£000	£000
Defined benefit obligation	112,741	98,617	87,867	79,248	76,583
Fair value of plan assets	100,732	86,986	80,522	70,572	57,375
Deficit	12,009	11,631	7,345	8,676	19,208

Difference between expected and actual return on scheme assets

Amount (£000s)	(5,806)	3,318	(1,144)	(7,207)	13,422
Percentage of scheme assets	(6%)	4%	(1%)	(10%)	23%

Experience (gains) and losses on scheme liabilities

Amount (£000s)	4,840	59	453	2,434	(86)
Percentage of scheme liabilities	6%	0%	1%	3%	(0.1%)

Contributions

The employer expects to contribute approximately £6,075,000 to the pension plan in 2013.

22. SHARE-BASED PAYMENTS

The company's ultimate parent undertaking HCA Holding Inc. operates several equity-settled schemes in which certain of the company's employees participate. In November 2006, HCA Inc. was recapitalised which resulted in the existing options under the 2005 Equity Incentive Plan and Management Stock Purchase Plan being exercised or rolled over into new options issued under the 2006 Stock Incentive Plan.

2006 Stock Incentive Plan

The 2006 Stock Incentive Plan for key employees of HCA Inc. and its affiliates (the "2006 Plan") was established in connection with the recapitalisation of HCA International's ultimate parent company, HCA Inc. The 2006 Plan permits the granting of awards covering 10% of HCA Inc.'s fully diluted equity immediately after consummation of the recapitalisation. A portion of the options under the 2006 Plan will vest solely based upon continued employment over a specific period of time, and a portion of the options will vest based both upon continued employment over a specific period of time and upon the achievement of predetermined performance targets over time.

NOTES TO THE ACCOUNTS (CONTINUED)
at 31 December 2012

22. SHARE-BASED PAYMENTS (CONTINUED)

2005 Equity Incentive Plan

Prior to the recapitalisation, the HCA 2005 Equity Incentive Plan was the primary plan under which stock options and restricted stock were granted to officers, employees and directors. Prior to 2005, stock option grants were the main method used for equity compensation purposes. During 2005, an increasing equity compensation emphasis was placed on restricted share grants. The restricted shares granted in 2005 were originally subject to back-end vesting provisions, with no shares vesting in the first two years after grant and then a third of the shares vesting in each of the third, fourth and fifth years. The restricted shares granted in 2006 were originally scheduled to vest in equal annual increments over a five-year period.

Management Stock Purchase Plan ("MSPP")

Prior to the recapitalisation, the MSPP allowed eligible employees to defer an elected percentage (not to exceed 25%) of their base salaries through the purchase of restricted stock at a 25% discount from the average market price. Purchases of restricted shares were made twice a year and the shares vested after three years.

The fair value of stock options is measured using the Black-Scholes model.

The assumptions for the plans are as follows:

	2012	2011
Distribution rate on future income	0%	0%
Average expected volatility	50%	41%
Risk-free rate	1.18%	0.9%
Expected life of options (years)	6.25	5

Based on these assumptions, the fair values of options used in the calculation of compensation expense for share-based payments in 2012 are as follows:

- 2006 Plan with an exercise price of £3.77 fair value of £8.30

The following table provides details of the number and weighted average exercise prices (WAEP) of, and movements in, share options held by employees during the year.

Due to the IPO in March 2011 the number of outstanding options was multiplied by 4,505 although the value remained the same, thus resulting in a decrease of the WAEP.

	2012 No	2012 WAEP (£)	2011 No	2011 WAEP (£)
Outstanding as at 1 January	320,088	2.92	78,512	23.84
Adjusted for IPO during the year	-	-	275,171	-
Granted during the year	98,500	14.47	-	-
Cancelled during the year	(29,501)	9.90	-	-
Exercised during the year	(194,061)	4.93	(33,595)	4.48
Outstanding as at 31 December	195,026	7.51	320,088	2.92
Exercisable at 31 December	106,515	3.77	257,966	4.81

During the year, 21,500 restricted share units were granted and 4,000 of these were cancelled. The weighted average exercise price does not take these restricted share units into account.

The expense recognised for share based-payments in respect of employee services received during the year ended 31 December 2012 was £228,000 (2011: £148,000).

23. GROUP ACCOUNTS

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

24. 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.

25. 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 may be obtained from Investor Relations, One Park, PO Box 550, Nashville, TN 37202-0550, USA.