


HCA INTERNATIONAL HOLDINGS LIMITED
(FORMERLY PPP/COLUMBIA HEALTHCARE HOLDINGS LIMITED)

Report and Accounts

31 December 2000

 ERNST & YOUNG



HCA International Holdings Limited
(formerly PPP/Columbia Healthcare Holdings Limited)

Registered No. 950687

DIRECTORS

J Kausch
D G Anderson
J M Franck
M Neeb
J Loyal

SECRETARY

J Loyal

AUDITORS

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London SE1 7EU

BANKERS

Barclays Bank PLC
St Johns Wood & Swiss Cottage Branch
P O Box 2764
London NW3 6JD

REGISTERED OFFICE

4 Connaught Place
London W2 2ET

HCA International Holdings Limited
(formerly PPP/Columbia Healthcare Holdings Limited)

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2000.

RESULTS AND DIVIDENDS

The company made a loss after taxation for the financial year of £1,284,000 (1999 – profit of £67,000).

The directors do not propose the payment of a dividend.

PRINCIPAL ACTIVITIES

The company acts as a holding company for HCA International Limited, which provides healthcare services.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company has had a successful year. It will continue to act as a holding company.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

J Kausch	
D G Anderson	
J M Franck	
M Adams	(resigned 19 May 2000)
A Bull	(resigned 19 May 2000)
L Kennedy	(resigned 19 May 2000)
N Deeming	(resigned 31 May 2000)
M Kopser	(resigned 2 May 2000)
M Neeb	(appointed 19 May 2000)
R Wilson	(resigned 5 May 2000)
J Loyal	(appointed 19 May 2000)

None of the directors have an interest in the shares of the company.

AUDITORS

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board



Director

31 JAN 2002

HCA International Holdings Limited
(formerly PPP/Columbia Healthcare Holdings Limited)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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 AUDITORS' REPORT TO THE MEMBERS OF HCA INTERNATIONAL HOLDINGS LIMITED

We have audited the company's accounts for the year ended 31 December 2000 which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of Shareholders' Funds and the related notes 1 to 15. These accounts have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

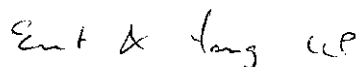
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

31 January 2002

HCA International Holdings Limited
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PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2000

	Notes	2000 £000	1999 £000
TURNOVER	2	1	–
Operating charges		(26)	(36)
OPERATING LOSS	3	(25)	(36)
Interest receivable and similar income		142	127
Interest payable and other financial expenditure		(1,949)	–
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,832)	91
Tax credit/(charge) on (loss)/profit on ordinary activities	5	548	(24)
RETAINED (LOSS)/PROFIT FOR THE YEAR		(1,284)	67

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss after taxation of £1,284,000 (1999 – profit after taxation of £67,000) for the year included above.

A reconciliation of movements in shareholders' funds is detailed in note 11.

HCA International Holdings Limited
(formerly PPP/Columbia Healthcare Holdings Limited)

BALANCE SHEET
at 31 December 2000

	Notes	2000 £000	1999 £000
FIXED ASSETS			
Investments	6	152,986	112,986
CURRENT ASSETS			
Debtors	7	4,466	4,453
Cash at bank and in hand		926	60
		5,392	4,513
CREDITORS: amounts falling due within one year	8	(10,591)	(10,599)
NET CURRENT LIABILITIES		(5,199)	(6,086)
TOTAL ASSETS LESS CURRENT LIABILITIES		147,787	106,900
CREDITORS: amounts falling due after more than one year	9	(42,171)	-
		105,616	106,900
CAPITAL AND RESERVES			
Called up share capital	10	900	900
Share premium account	11	90,049	90,049
Profit and loss account	11	14,667	15,951
EQUITY SHAREHOLDERS' FUNDS	11	105,616	106,900


Director

31 JAN 2002

NOTES TO THE ACCOUNTS
at 31 December 2000

1. ACCOUNTING POLICIES

Fundamental accounting concepts

The accounts have been prepared under the going concern basis, as the parent undertaking has agreed to provide financial support to the company.

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Deferred taxation

Provision is made for deferred tax using the liability method on all material timing differences to the extent that it is probable that a liability or asset will crystallise in the future.

Turnover

Turnover, which excludes value added tax and is net of discounts, represents the invoiced value of goods and services supplied.

Foreign currencies

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rates ruling when the transaction was entered into. 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.

Cash flow statement

In accordance with FRS 1 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 is attributable to continuing operations and was derived from the provision of hospital services within the United Kingdom.

3. OPERATING LOSS

Auditors' remuneration is borne by HCA International Limited, a fellow group undertaking.

4. DIRECTORS' REMUNERATION

The directors of the company are also directors of other undertakings within the HCA group of companies. The directors' remuneration was paid by the other undertakings. 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 fellow subsidiary undertaking.

HCA International Holdings Limited
(formerly PPP/Columbia Healthcare Holdings Limited)

NOTES TO THE ACCOUNTS
at 31 December 2000

5. TAX CREDIT/(CHARGE) ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2000 £000	1999 £000
Corporation tax credit/ (charge)	548	(32)
Prior year adjustment	-	8
	<u>548</u>	<u>(24)</u>

6. INVESTMENTS

	<i>Subsidiary undertaking and other investments £000</i>
Cost:	
At 1 January 2000	112,986
Additions	40,000
At 31 December 2000	<u>152,986</u>

Details of the company's subsidiary undertakings and other investments, all of which are incorporated in Great Britain are as follows:

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
HCA International Limited	Ordinary, deferred and preference shares	100%	Provision of healthcare services

During the year, HCA International Limited issued 40,000,000 Ordinary £1 shares to HCA International Holdings Limited.

7. DEBTORS

	2000 £000	1999 £000
Amounts due from parent undertaking	166	-
Amounts due from other related group undertakings	4,027	4,180
Other debtors	273	273
	<u>4,466</u>	<u>4,453</u>

HCA International Holdings Limited
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NOTES TO THE ACCOUNTS

at 31 December 2000

8. **CREDITORS:** amounts falling due within one year

	2000	1999
	£000	£000
Amount owed to subsidiary undertaking	–	6,361
Amounts owed to other related group undertakings	9,961	3,600
UK corporation tax payable	630	637
Other creditors	–	1
	<u>10,591</u>	<u>10,599</u>

9. **CREDITORS:** amounts falling due after more than one year

	2000	1999
	£000	£000
Amounts owed to other related group undertakings	42,171	–

The above consists of convertible debt, which may be converted, at the holder's option, into 465,000 preference shares each with a nominal value of £100 and bearing a dividend rate of 10.7%. The debt is convertible either on 8 June 2002, or on maturity (8 June 2030). If not converted at maturity, the debt will be repayable at its par value of £46,500,000.

10. **SHARE CAPITAL**

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	2000	1999	2000	1999
	No.	No.	£	£
'A' ordinary shares at £1 each	500,000	500,000	450,101	450,101
'B' ordinary shares at £1 each	500,000	500,000	450,100	450,100
	<u>1,000,000</u>	<u>1,000,000</u>	<u>900,201</u>	<u>900,201</u>

The 'A' and 'B' ordinary shares hold equal rights.

HCA International Holdings Limited
(formerly PPP/Columbia Healthcare Holdings Limited)

NOTES TO THE ACCOUNTS

at 31 December 2000

11. RECONCILIATION OF EQUITY 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 £000</i>
At 1 January 1999	900	90,049	15,884	106,833
Retained profit for the year	—	—	67	67
At 1 January 2000	900	90,049	15,951	106,900
Retained loss for the year	—	—	(1,284)	(1,284)
At 31 December 2000	900	90,049	14,667	105,616

12. COMMITMENTS

There are no contingent liabilities and no commitments, which have been authorised but not contracted for at 31 December 2000 and 1999.

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 not to disclose transactions with entities that are part of the group, where 90% or more of the voting rights of those entities are controlled within the group.

14. GROUP ACCOUNTS

The company is exempt from the obligation to prepare and deliver group accounts by virtue of section 228 of the Companies Act 1985. Its results are included in the consolidated accounts of HCA UK Holdings Limited, registered in Great Britain. Copies of HCA UK Holdings Limited's accounts can be obtained from 4 Connaught Place, London W2 2ET.

15. PARENT UNDERTAKING

At 31 December 2000, the immediate parent undertaking was HCA UK Holdings Limited, registered in England and Wales.

The company's ultimate parent undertaking is HCA. The Healthcare company, which is incorporated in the United States of America. Copies of the parent's consolidated accounts may be obtained from Investor Relations One Park Plaza, PO Box 550, Nashville, TN 37202-0550, USA.