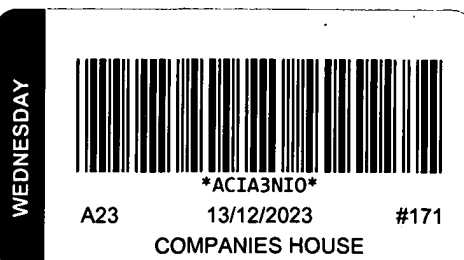


Registered No 06395903

ROODLANE MEDICAL LIMITED

Report and Financial Statements

31 December 2022



Roodlane Medical Limited

Registered No. 06395903

COMPANY INFORMATION

DIRECTORS

N A Buckley

S J J King

J M Reay

H Trakoshis

AUDITOR

Ernst & Young LLP

1 More London Place

London

SE1 2AF

BANKER

Barclays Bank PLC

St John's Wood and Swiss Cottage Branch

P O Box 2764

London

NW3 6JD

REGISTERED OFFICE

2 Cavendish Square

London

W1G 0PU

Roodlane Medical Limited

Registered No. 06395903

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2022.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is to offer a range of medical services to corporate and private clients. Services include occupational health and specialist medical services, corporate wellness and health screening, physiotherapy and private GP services.

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

	2022 £000	2021 £000	Change %
Revenue	31,206	39,182	(20.4%)
Operating profit	1,503	2,776	(45.9%)
Outpatient visits	96,185	103,576	(7%)
Employee numbers	271	273	(1%)

Revenue for 2022 has decreased by 20.4% from the prior year. The main contributor for the decrease in revenue was the overall decrease in outpatient visits and retainer revenue.

Operating profit in 2022 has decreased by 45.9% from the prior year, primarily due to the decrease in revenue.

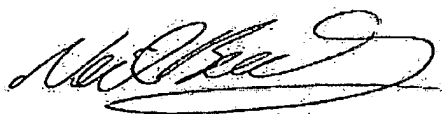
The company has ended the year in a strong financial position with net assets of £6,274,000 (2021: £4,894,000) and a net current asset position of £4,593,000 (2021: £3,960,000).

The company will continue to invest in the provision of medical services 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



N A Buckley
Director
4 December 2023

Roodlane Medical Limited

Registered No. 06395903

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 December 2022.

REVIEW OF THE BUSINESS

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

DIVIDENDS

No dividends were paid during the year (2021: £nil).

DIRECTORS

The directors who served during the year ended 31 December 2022, except as noted, were as follows:

N A Buckley
S J J King
J M Reay
H Trakoshis

DIRECTORS INDEMNITY

The company has granted indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity remains in force as at the date of approving the directors' report.

FUTURE DEVELOPMENTS

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

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 1 April 2023 the trade of Blossoms Healthcare LLP merged into Roodlane Medical Limited.

On 1 July 2023, the company purchased the trade and assets of a primary care business outside London for an initial consideration of £350,000.

In September 2023, the company purchased a client list for £57,000.

GOING CONCERN

As set out in further detail below, these financial statements have been prepared on a going concern basis and 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.

HCA UK Holdings Limited ('HCA UK') as an organisation manages its cash position centrally, providing access to funding for all its subsidiaries as and when required. Roodlane Medical Limited is a subsidiary within the HCA UK group. The availability of cash is central to the group's survival and management has considered cash flow forecasts to be a key component of their assessment.

As cash is managed centrally, the directors have considered the going concern assessment for the HCA UK group of entities collectively. Below sets out how they have assessed this and its relevance for Roodlane Medical Limited.

HCA UK group has seen very strong cash flow throughout 2022 and has no external debt within the UK group, with a cash balance of £122m at the end of December 2022. A detailed monthly cash flow forecast has been prepared until end of December 2024, in which a steady cash inflow is expected which is expected to leave HCA UK with a positive cash balance throughout the forecast period to end of December 2024. The HCA UK cash flow is dependent on the following factors and assumptions:

- Cash collections which will arise from the collection of our outstanding accounts receivables from our three main sectors: Private Medical Insurance, Embassy and Self Pay. Projected cash collections are linked to estimated net revenues and linked to the age of outstanding accounts receivable and how they crystallize into cash.
- Revenue is being earned consistently in the group. This is forecast to continue throughout 2023 and into 2024.

Roodlane Medical Limited

Registered No. 06395903

DIRECTORS' REPORT (CONTINUED)

GOING CONCERN (CONTINUED)

- The projection for accounts payables, other costs and capital cash flows are based on budget and known projects.

Based on management's detailed cash flow forecasting and assessment of severe downside scenarios which reflect a significant fall in revenue, operating cash flows and cash available to the group, HCA UK group has enough liquidity to continue in operational existence for the foreseeable future. In addition to this, HCA Healthcare Inc., the ultimate parent company, have confirmed, via a letter of support their intention to provide financial support, if necessary, to the HCA UK Group for the period from the date of approval of the financial statements to the end of December 2024.

In turn, the company has received assurances, in the form of a letter of support, that HCA UK will continue to provide sufficient cash resources to meet liabilities as they fall due from the date of signing these financial statements to the end of December 2024.

On the basis of HCA UK's assessment of the group's financial position and their commitment to provide financial support if and when needed to Roodlane Medical Limited, the directors have a reasonable expectation that the entity will be able to continue in operational existence for the foreseeable future. Therefore, the directors 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.

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



N A Buckley
Director
4 December 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, the Directors' 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland').

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK 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 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 preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROODLANE MEDICAL LIMITED

Opinion

We have audited the financial statements of Roodlane Medical Limited for the year ended 31 December 2022 which comprise Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period till the end of December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROODLANE MEDICAL LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its domestic operations, including regulations specific to the healthcare sector, namely The Health and Social Care Act 2008 and the Regulated Activities Regulations 2014, health and safety, employees, data protection and anti-bribery and corruption legislation.

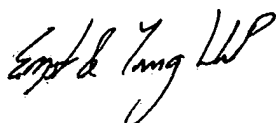
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROODLANE MEDICAL LIMITED (CONTINUED)

- We understood how the Company is complying with those frameworks by making inquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our inquiries through review of Board minutes and papers provided by management as well as considering the results of our audit procedures. There was no contrary evidence noted in our review of this evidence. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by performing a fraud risk assessment. We considered the risk of fraud through management override, and in response, we incorporated data analytics across manual journal entries into our audit approach. These procedures included testing of transactions back to underlying source information.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing in relation to the identified fraud risk with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business. Our procedures also involved enquiries of Company management and those charged with governance. We also leveraged our data analytics platform in performing our work on the order to cash processes to assist in identifying higher risk transactions for testing.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

5 December 2023

Roodlane Medical Limited

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2022

	<i>Notes</i>	<i>2022</i> <i>£000</i>	<i>2021</i> <i>£000</i>
REVENUE	2	31,206	39,182
Administrative expenses		(29,703)	(36,406)
OPERATING PROFIT	3	1,503	2,776
Interest receivable and similar income	6	141	-
Interest payable and other financial expenditure	7	(35)	(78)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,609	2,698
Taxation on profit on ordinary activities	8	(229)	106
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,380	2,804
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		1,380	2,804

All activities relate to continuing operations.

The notes on pages 12 to 24 form part of these financial statements.

Roodlane Medical Limited

STATEMENT OF FINANCIAL POSITION at 31 December 2022

	Notes	2022 £000	2021 £000
FIXED ASSETS			
Intangible assets	9	423	91
Tangible fixed assets	10	2,039	1,844
		<u>2,462</u>	<u>1,935</u>
CURRENT ASSETS			
Inventory	11	593	68
Debtors	12	7,910	14,054
		<u>8,503</u>	<u>14,122</u>
CREDITORS: amounts falling due within one year	13	<u>(3,910)</u>	<u>(10,162)</u>
NET CURRENT ASSETS		4,593	3,960
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,055</u>	<u>5,895</u>
PROVISIONS FOR LIABILITIES AND CHARGES	14	(781)	(1,001)
NET ASSETS		<u>6,274</u>	<u>4,894</u>
CAPITAL AND RESERVES			
Share capital	17	50	50
Share premium	18	2,249	2,249
Profit and loss account	18	3,975	2,595
EQUITY SHAREHOLDERS' FUNDS		<u>6,274</u>	<u>4,894</u>

The notes on pages 12 to 24 form part of these financial statements.

These financial statements were approved by the board of directors on 4 December 2023 and signed on its behalf by:



N A Buckley
Director
Registered No. 06395903

Roodlane Medical Limited

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2022

	<i>Share capital</i> £000	<i>Share premium</i> £000	<i>Profit and loss</i> £000	<i>Total</i> £000
At 1 January 2021	50	2,249	(209)	2,090
Profit for the year	-	-	2,804	2,804
At 1 January 2022	50	2,249	2,595	4,894
Profit for the year	-	-	1,380	1,380
At 31 December 2022	50	2,249	3,975	6,274

The notes on pages 12 to 24 form part of these financial statements.

Roodlane Medical Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2022

1. ACCOUNTING POLICIES

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

Statement of compliance

Roodlane Medical Limited is a private company limited by shares and incorporated in England.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2022.

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

Basis of preparation

The financial statements were authorised for issue by the Board of Directors on 4 December 2023.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company, and rounded to the nearest £'000.

The company has taken advantage of the following exemptions under FRS 102:

- (a) the requirements of Section 7 *Statement of Cash Flows* and Section 3 *Financial Statement Presentation* paragraph 3.17(d)
- (b) the requirements of *Basic Financial Instruments* paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), and 11.48(c); and *Other Financial Instruments Issues* paragraphs 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A
- (c) the requirement of Section 33 *Related Party Disclosures* paragraph 33.7

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Going concern

As set out in further detail below, these financial statements have been prepared on a going concern basis and 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.

HCA UK Holdings Limited ('HCA UK') as an organisation manages its cash position centrally, providing access to funding for all its subsidiaries as and when required. Roodlane Medical Limited is a subsidiary within the HCA UK group. The availability of cash is central to the group's survival and management has considered cash flow forecasts to be a key component of their assessment.

As cash is managed centrally, the directors have considered the going concern assessment for the HCA UK group of entities collectively. Below sets out how they have assessed this and its relevance for Roodlane Medical Limited.

HCA UK group has seen very strong cash flow throughout 2022 and has no external debt within the UK group, with a cash balance of £122m at the end of December 2022. A detailed monthly cash flow forecast has been prepared until end of December 2024, in which a steady cash inflow is expected which is expected to leave HCA UK with a positive cash balance throughout the forecast period to end of December 2024. The HCA UK cash flow is dependent on the following factors and assumptions:

- Cash collections which will arise from the collection of our outstanding accounts receivables from our three main sectors: Private Medical Insurance, Embassy and Self Pay. Projected cash collections are linked to estimated net revenues and linked to the age of outstanding accounts receivable and how they crystallize into cash.
- Revenue is being earned consistently in the group. This is forecast to continue throughout 2023 and into 2024.
- The projection for accounts payables, other costs and capital cash flows are based on budget and known projects.

1. ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

Based on management's detailed cash flow forecasting and assessment of severe downside scenarios which reflect a significant fall in revenue, operating cash flows and cash available to the group, HCA UK group has enough liquidity to continue in operational existence for the foreseeable future. In addition to this, HCA Healthcare Inc., the ultimate parent company, have confirmed, via a letter of support their intention to provide financial support, if necessary, to the HCA UK Group for the period from the date of approval of the financial statements to the end of December 2024.

In turn, the company has received assurances, in the form of a letter of support, that HCA UK will continue to provide sufficient cash resources to meet liabilities as they fall due from the date of signing these financial statements to the end of December 2024.

On the basis of HCA UK's assessment of the group's financial position and their commitment to provide financial support if and when needed to Roodlane Medical Limited, the directors have a reasonable expectation that the entity will be able to continue in operational existence for the foreseeable future. Therefore, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following estimates are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date:

Impairment

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from past performance and future budgets and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Where there are indicators of impairment of trade and other receivables, the company performs an impairment review based on the aging of the individual balances outstanding and taking into account the probability of non-payment by the debtors.

Provision for discounts

The company provides a wide range of treatments and services to patients with private medical insurance. Management assesses the contractual agreements and makes estimates regarding expected discounts and rebates, which are revisited on a regular basis for reasonableness.

Revenue and trade debtors is reported net of the provisions made for such discounts and rebates, refer to note 2 and 12.

Significant accounting policies

Revenue

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Roodlane Medical Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2022

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Revenue (continued)

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

Revenue is recorded during the period the services are provided.

Intangible assets and amortisation

Intangible assets within the company consist of software licenses.

Software licenses are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated to write off the cost of an asset on a straight line basis over the useful economic life of that asset as follows:

Software licenses	25% per annum
Client list	over 2 years

The carrying value of intangible assets is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Provision for depreciation is made so as to write off the cost of tangible fixed assets, when in their intended use, on a straight line basis over the expected useful economic lives of the fixed assets concerned. The principal annual rates used for this purpose are:

Leasehold improvements	–	10% per annum
Equipment, furniture and fittings	–	between 5% and 25% per annum

Leasehold land and buildings are amortised over 40 years, or the period of the lease, whichever is less.

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.

Inventory

Inventory which consist mainly of drugs and consumable stores, are stated at the lower of invoiced cost and estimated selling price less costs to complete and sell. Inventory is recognised as an expense in the period in which the related revenue is recognised. Provision is made where necessary for obsolete, slow moving and defective inventories.

Taxation

Current tax is provided as amounts expected to be paid (or recovered) using the tax rate and laws that have been enacted or substantively enacted by the statement of financial position date.

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred at the statement of financial position date.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying time difference can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Financial Assets

Initial recognition and measurement

The company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus directly attributable transaction costs.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in administrative expenses.

Derecognition of financial assets

A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired or (ii) the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass through” arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, with the amount of the loss recognised in administrative expenses.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Financial liabilities

Initial recognition and measurement

The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

Roodlane Medical Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2022

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

Operating lease commitments

The company has entered into a commercial property lease as a lessee. The property is used for the provision of its principal activities as discussed in the Strategic Report. The classification of such lease as an operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangement, whether it retains or acquires the significant risks and rewards of ownership of this asset and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position. The directors concluded that the lease qualified for treatment as an operating lease.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

A provision is recognised to cover dilapidations on buildings leased by the company, as required in the leasing agreement. The amount recognised is management's best estimate of the costs likely to be incurred in carrying out the remedial work required.

Pension costs

The contributions to the HCA International Limited Staff Retirements Benefits Scheme, a defined contribution scheme, are charged to the statement of comprehensive income as they become payable 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.

2. REVENUE

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

	2022	2021
	£000	£000
Rendering of services	31,206	39,182
	<u>31,206</u>	<u>39,182</u>

3. OPERATING PROFIT

This is stated after charging the following:

	2022	2021
	£000	£000
Depreciation of owned fixed assets	454	482
Amortisation – intangible fixed assets	85	38
Rental - buildings	1,437	1,316
Inventory recognised as an expense	<u>444</u>	<u>4,204</u>

The auditor of the company is also the auditor of HCA International Limited and is remunerated in respect of their services to the company by HCA International Limited. The audit fee for the company was £30,400 (2021: £29,500). There were no non-audit fees during the year (2021: £nil).

Roodlane Medical Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2022

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 £2,396,000 (2021: £2,583,000), 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.

	2022 £000	2021 £000
Emoluments (excluding pension contributions)	2,372	2,541
Company contributions paid to defined benefit pension scheme	24	42

During the year no (2021: one) director exercised share options.

	2022 No.	2021 No.
Members of money purchase pension scheme	-	-
Members of defined benefit pension scheme	2	2
Highest paid director:		
	2022 £000	2021 £000
Emoluments (excluding pension contributions)	910	933
Company contributions paid to defined benefit pension scheme	-	-

5. STAFF COSTS

	2022 £000	2021 £000
Wages and salaries	16,823	15,528
Social security costs	1,860	1,672
Other pension costs	686	673
	19,369	17,873

The average monthly number of employees, during the year, excluding directors who are not directly employed by the company was 271 (2021: 273).

Roodlane Medical Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2022

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £000	2021 £000
Interest on intercompany receivable	141	-
	<u>141</u>	<u>-</u>

7. INTEREST PAYABLE AND OTHER FINANCIAL EXPENDITURE

	2022 £000	2021 £000
Unwinding of discount on dilapidation provision	35	45
Interest on intercompany payable	-	19
Other interest payable	-	14
	<u>35</u>	<u>78</u>

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge/(credit) in the year:

	2022 £000	2021 £000
UK current tax:		
UK corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>
UK deferred tax:		
Origination and reversal of timing differences	126	(51)
Effect of changes in tax rates	55	(55)
Effect of over/(under) providing deferred tax in previous years	48	-
Total deferred tax	<u>229</u>	<u>(106)</u>
Tax charge/(credit) on profit on ordinary activities	<u>229</u>	<u>(106)</u>

Roodlane Medical Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2022

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

(b) Factors affecting current tax charge/(credit):

The tax assessed on the profit on ordinary activities for the year is higher/lower than the standard rate of corporation tax in the United Kingdom of 19 % (2021: 19%). The differences are reconciled below:

	2022	2021
	£000	£000
Profit on ordinary activities before tax	1,609	2,698
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	306	513

Effect of:

Disallowed expenses and other permanent differences	2	69
Prior period adjustment to deferred tax	48	(48)
Group relief	(181)	(585)
Effect of rate changes	54	(55)
Total tax for the year	229	(106)

(c) Factors that may affect future tax charges:

In the 2021 budget, the Chancellor of the Exchequer proposed to increase the standard rate of corporation tax from the current rate of 19% to 25%, effective 1 April 2023. The change was substantively enacted on 24 May 2021, and therefore has impacted the carrying value of deferred tax assets and liabilities in the financial statements.

(d) Deferred taxation:

	2022	2021
	£000	£000
Asset at the beginning of the year	229	123
Profit and loss charge for the year	(229)	106
Asset at the end of the year	-	229

Roodlane Medical Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2022

9. INTANGIBLE ASSETS

	<i>Client list</i>	<i>Software licenses</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost			
At 1 January 2022	-	150	150
Additions*	69	348	417
At 31 December 2022	69	498	567
Amortisation			
At 1 January 2022	-	59	59
Charge	11	74	85
At 31 December 2022	11	133	144
Net book value			
At 31 December 2022	58	365	423
At 31 December 2021	-	91	91

*all assets in the course of construction are recorded in tangible assets until completion when they are reclassified to either tangible or intangible assets and commence depreciation / amortisation.

Software licenses represent the costs incurred in acquiring and maintaining the medical booking system used at Roodlane Medical Limited. It is being amortised over four years.

During the year, the company acquired client list for £69,000. It is being amortised over 2 years.

10. TANGIBLE FIXED ASSETS

	<i>Short leasehold land & buildings</i>	<i>Leasehold improvements</i>	<i>Equipment, furniture and fittings</i>	<i>Construction in progress</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost					
At 1 January 2022	528	4,942	384	68	5,922
Additions	-	-	-	997	997
Transfers	-	227	295	(870)	(348)
Disposals	-	-	(61)	-	(61)
At 31 December 2022	528	5,169	618	195	6,510
Depreciation					
At 1 January 2022	528	3,242	308	-	4,078
Charge for the year	-	346	108	-	454
Disposals	-	-	(61)	-	(61)
At 31 December 2022	528	3,588	355	-	4,471
Net book value					
At 31 December 2022	-	1,581	263	195	2,039
At 31 December 2021	-	1,700	76	68	1,844

Roodlane Medical Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2022

11. INVENTORY

	2022	2021
	£000	£000
Medical supplies	593	68

12. DEBTORS

	2022	2021
	£000	£000
Trade debtors	4,950	12,312
Other debtors	316	820
Amounts due from parent undertakings – trading	2,000	-
Deferred tax asset (note 8d)	-	229
Prepayments and accrued income	644	693
	7,910	14,054

Amounts due from parent and other group undertakings are all receivable on demand with no set repayment date. The effective interest rate across the trading balances for the year was 2.08% (2021: Nil%).

13. CREDITORS: amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	69	92
Amounts owed to parent undertakings – trading	-	4,339
Overdraft	-	24
Accruals and deferred income	3,841	5,707
	3,910	10,162

Amounts owed to parent and other group undertakings are all payable on demand with no set repayment date.

Roodlane Medical Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2022

14. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Provision for dilapidations</i>	<i>Malpractice reserve</i>	<i>Total provisions</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Provisions at the start of the year	751	250	1,001
Arising during the year	-	57	57
Release of provision	(68)	(250)	(318)
Unwinding of discount	41	-	41
Provisions at the end of the year	<u>724</u>	<u>57</u>	<u>781</u>

The dilapidation provision represents amounts provided for on the expected costs of exiting leased properties. The decrease in the provision arose as a result of management updating their assessment of future costs which will be incurred on restoring the properties back to their original condition.

The malpractice reserve is held to cover any retained medical indemnity liabilities for the company.

15. RELATED PARTY TRANSACTIONS

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

<i>Related Party (Relationship)</i>	<i>Transactions during the year</i>	<i>2022 £000</i>	<i>2021 £000</i>
HCA International Limited (Immediate Parent)	Interest on intercompany receivable /(payable)	<u>141</u>	<u>(19)</u>
<i>Related Party</i>	<i>Closing balance at year end</i>	<i>2022 £000</i>	<i>2021 £000</i>
HCA International Limited	Amounts due from/(owed to) parent undertakings – trading	<u>2,000</u>	<u>(4,339)</u>

Roodlane Medical Limited is part of the HCA UK group. HCA International Limited operates the payroll, accounts payable and billing functions on behalf of the company and is fully reimbursed for these expenses.

16. FINANCIAL INSTRUMENTS

	<i>2022 £000</i>	<i>2021 £000</i>
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Trade debtors	4,950	12,312
Other debtors	316	820
Amounts due from parent undertakings – trading	<u>2,000</u>	<u>-</u>
	<u>7,266</u>	<u>13,132</u>

Roodlane Medical Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2022

16. FINANCIAL INSTRUMENTS (CONTINUED)

	2022 £000	2021 £000
<i>Financial liabilities measured at amortised cost</i>		
Trade creditors	69	92
Overdraft	-	24
Amounts owed to parent undertakings – trading	-	4,339
	<u>69</u>	<u>4,455</u>

17. SHARE CAPITAL

	2022 No.	2021 No.	2022 £000	2021 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £0.01 each	<u>5,003,580</u>	<u>5,003,580</u>	<u>50</u>	<u>50</u>
	<u>5,003,580</u>	<u>5,003,580</u>	<u>50</u>	<u>50</u>

18. RESERVES

Share premium – includes any premium received on issue of share capital

Profit and loss account – includes all current and prior period retained profit and losses

19. OBLIGATIONS UNDER LEASES

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

	2022 £000	2021 £000
Not later than one year	1,193	1,348
Later than one year and not later than five years	3,289	3,889
Later than five years	1,716	2,479
	<u>6,198</u>	<u>7,716</u>

20. 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 £686,000 (2021: £673,000). There were no outstanding contributions as at 31 December 2022 (2021: nil).

21. EVENTS AFTER THE REPORTING DATE

On 1 April 2023 the trade of Blossoms Healthcare LLP merged into Roodlane Medical Limited.

On 1 July 2023, the company purchased the trade and assets of a primary care business outside London for an initial consideration of £350,000.

In September 2023, the company purchased a client list for £57,000.

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is HCA International Limited, a company incorporated in the UK.

Roodlane Medical Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2022

The company's ultimate parent undertaking is HCA Healthcare Inc., which is incorporated in the United States of America. HCA Healthcare Inc. is the smallest and largest group of which the company is a member and for which group financial statements are prepared. Copies of the parent's consolidated accounts may be obtained from HCA, Investor Relations, One Park Plaza, I-4W, Nashville, TN 37203, USA.