

**Company registered number: 4026986**

**General Healthcare Holdings (4) Limited**

**Annual report and financial statements  
for the year ended 30 September 2014**

TUESDAY



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COMPANIES HOUSE

# **General Healthcare Holdings (4) Limited**

## **Annual report and financial statements**

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**Strategic report  
for the year ended 30 September 2014**

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The directors present their strategic report on the affairs of the company for the year ended 30 September 2014.

**Review of business**

The directors expect that the present level of activity will be sustained for the foreseeable future. The directors do not consider it necessary to include any further key performance indicators, other than the current year results shown below, in order to understand the business.

**Results and dividends**

The company's profit after taxation for the year ended 30 September 2014 was £nil (2013: £nil). The directors do not propose the payment of a dividend (2013: £nil).

**Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

**Financial risk management**

Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the only financial risks the directors consider relevant to this company are credit risk and liquidity risk. These risks are mitigated through monitoring of assets and liabilities and the nature of balances held. The use of financial derivatives is governed by the group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

Approved by the Board of Directors and signed on behalf of the Board.



Name: CRAIG LOVELACE  
Director

Date: 17 DECEMBER 2014

**Directors' report  
for the year ended 30 September 2014**

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The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 30 September 2014.

Details of events affecting the company since the financial year end, an indication of likely future developments in the business and a statement on going concern have been included in the Strategic report and form part of this Directors' report by reference.

**Principal activity**

The company is a holding company which provides healthcare services through its subsidiary undertakings.

**Directors**

The directors who served throughout the year, except as noted, and subsequently are as shown below:

Stephen John Collier (resigned 16 November 2014)

Craig Barry Lovelace

Jill Margaret Watts (appointed 17 November 2014)

**Directors' and officers' insurance**

The company has directors' and officers' insurance for the benefit of, amongst others, the directors of the company, which is in place at the date of this report.

**Disclosure of information to the auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Auditor**

Deloitte LLP have expressed their willingness to continue in office as auditor of the company. The directors will propose a resolution concerning the future appointment of an auditor at the forthcoming Annual General Meeting.

**Directors' report  
for the year ended 30 September 2014 (continued)**

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**Statement of directors' responsibilities**

The directors are responsible for preparing the 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). 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 affairs of the company, and of the profit and loss for that year. In preparing these 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 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.

Approved by the Board of Directors and signed on behalf of the Board.



Name: CRAIG WALLACE  
Director

Date: 17 DECEMBER 2014

**Independent auditor's report  
to the shareholders of General Healthcare Holdings (4) Limited**

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We have audited the financial statements of General Healthcare Holdings (4) Limited for the year ended 30 September 2014, which comprise the Balance Sheet, Statement of principal accounting policies and the related notes 1 to 7. 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 the auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2014;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

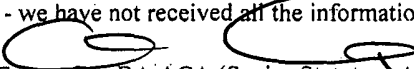
**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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.

  
Emma Cox BA ACA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

Date: 17 December 2014

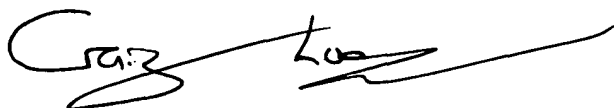
# General Healthcare Holdings (4) Limited

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## Balance sheet at 30 September 2014

|   | Notes | 2014<br>£'000    | 2013<br>£'000    |
|---|-------|------------------|------------------|
| <b>Fixed assets</b>                             |       |                  |                  |
| Investments                                     | 2     | 611,006          | 611,006          |
| <b>Current assets</b>                           |       |                  |                  |
| Debtors - amounts falling due within one year   | 3     | 182,018          | 182,018          |
| Creditors - amounts falling due within one year | 4     | (758,926)        | (758,926)        |
| <b>Net current liabilities</b>                  |       | <u>(576,908)</u> | <u>(576,908)</u> |
| <b>Net assets</b>                               |       | <u>34,098</u>    | <u>34,098</u>    |
| <b>Capital and reserves</b>                     |       |                  |                  |
| Called-up share capital                         | 5     | 70,050           | 70,050           |
| Profit and loss account                         | 6     | (35,952)         | (35,952)         |
| <b>Total shareholders' funds</b>                |       | <u>34,098</u>    | <u>34,098</u>    |

The financial statements were approved by the board of directors and authorised for issue on 17 DECEMBER 2014.  
They were signed on its behalf by:



Name: CRAIG LOVELACE  
Director

The accompanying notes form an integral part of this balance sheet.  
The company's registered number is 4026986.

**Statement of accounting policies  
for the year ended 30 September 2014**

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The principal accounting policies are summarised below, which have all been applied consistently throughout the year and prior year.

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. They have been presented in pounds sterling, which is the currency of the economic environment in which the company operates.

Consolidated financial statements have not been prepared as the company has taken the exemption under Section 400 of the Companies Act 2006 whereby it is exempted from consolidation as its results and the results of its subsidiaries are included in the consolidated financial statements of its parent company GHG1 (Hospital Operations) Limited incorporated in the United Kingdom.

**Going concern**

The company has net current liabilities of £577 million as at 30 September 2014. The directors have received a letter of support from a fellow group undertaking confirming that intercompany balances amounting to £759 million will not be called within 12 months of the date that the financial statements are approved.

The company is an obligor under the senior bank facilities of its parent, GHG 1 (Hospital Operations) Limited and its subsidiaries ("the OpCo Group"). The OpCo Group's borrowings include senior bank facilities and other long-term facilities. These facilities are due for repayment between October 2014 and October 2018.

Under the senior bank facilities, the OpCo Group is required to comply with various financial covenants which are tested quarterly. All bank covenants were met during the year and have continued to be met subsequent to the year-end.

Management of the OpCo Group have prepared covenant and liquidity forecasts for the purpose of the going concern review. These forecasts have been reviewed by the directors together with the underlying assumptions which the Board has agreed are reasonable. The forecasts show that the Group will comply with financial covenants throughout the forecast period with appropriate headroom. The forecasts also show liquidity headroom through the review period.

The directors have considered sensitivities to the forecasts, taking into account the risks described in the Strategic Report, including the macro-economic challenges impacting the UK economy in general, and more specifically, the demand and pricing for private healthcare and government funding for healthcare. The directors have also considered that certain contractual payments may fall due in the event of a change of ownership of the Theatre PropCos. While these amounts are fully accrued in the financial statements, if demanded and paid, this would reduce the OpCo Group's liquidity, but would not impact its covenant compliance.

If there were circumstances in the future in which a covenant or liquidity challenge looked possible, management have a number of mitigating actions available to them, including phasing of capital expenditure, working capital management and curtailment of discretionary expenditure.

The sensitivities that have been prepared show that the OpCo Group will remain compliant with its financial covenants throughout the going concern review period and, taking into account mitigating actions and facilities available, will have sufficient liquidity.

The directors therefore have a reasonable expectation that the company has adequate resources to continue in the operational existence for the foreseeable future. They continue to adopt the going concern basis in preparing the annual financial statements.



Statement of accounting policies  
for the year ended 30 September 2014

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**Investments**

Fixed asset investments are stated at cost less provision for impairment.

In accordance with Section 400 of the Companies Act 2006, financial information is only presented in these financial statements about the company as an individual undertaking because the company and its subsidiary undertakings are included in the consolidated financial statements of a larger group.

**Taxation**

The tax expense represents the sum of the tax currently payable and the deferred tax.

Current tax (comprising UK corporation tax) is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Cash flow statement**

The company has taken advantage of the exemption under the rules of Financial Reporting Standard No. 1 (revised) not to produce a cash flow statement. The cash flow information is contained in the consolidated financial statements of the intermediate parent company, GHG 1 (Hospital Operations) Limited, which is incorporated in the United Kingdom.

Notes to the financial statements  
for the year ended 30 September 2014

**1. Profit on ordinary activities before taxation**

The company did not trade in the current or prior year, therefore no profit and loss account has been prepared. There were no other gains and losses and a statement of total recognised gains and losses is not presented.

The audit fees for the audit of the company's annual accounts were borne by another group undertaking in both years.

There were no employees of the company and the directors received no emoluments in either year.

**2. Investments**

|  | 2014<br>£'000         | 2013<br>£'000         |
|--|-----------------------|-----------------------|
| The following are included in the net book value of fixed asset investments: |                       |                       |
| <b>Cost</b>  |                       |                       |
| Subsidiary undertakings  | 90,035                | 90,035                |
| Other investments in fellow group undertakings                               | <u>521,679</u>        | <u>521,679</u>        |
|  | 611,714               | 611,714               |
| Less provision for impairment  | (708)                 | (708)                 |
| End of year  | <u><u>611,006</u></u> | <u><u>611,006</u></u> |

The company owns 100% of the ordinary share capital in GHG Limited. Other investments include 100% of the preference share capital in General Healthcare Holdings (3) Limited. Both companies are incorporated in the United Kingdom, and their principal activities are that of holding companies.

**3. Debtors - amounts falling due within one year**

|                             | 2014<br>£'000  | 2013<br>£'000  |
|-----------------------------|----------------|----------------|
| Loans to group undertakings | <u>182,018</u> | <u>182,018</u> |

There are no fixed repayment terms in place for these loans and no interest is charged.

**4. Creditors - amounts falling due within one year**

|                               | 2014<br>£'000  | 2013<br>£'000  |
|-------------------------------|----------------|----------------|
| Loans from group undertakings | <u>758,926</u> | <u>758,926</u> |

There are no fixed repayment terms in place for these loans and no interest is charged.

Notes to the financial statements  
for the year ended 30 September 2014 (continued)

**5. Called-up share capital**

|  | 2014<br>£'000 | 2013<br>£'000 |
|--|---------------|---------------|
| Authorised, allotted, called-up and fully paid:<br>70,050,000 ordinary shares of £1 each | <u>70,050</u> | <u>70,050</u> |

**6. Shareholders' funds**

The movement in the shareholders' funds is as follows:

|                                  | Called-up<br>share<br>capital<br>£'000 | Profit<br>and loss<br>account<br>£'000 | Total<br>£'000 |
|----------------------------------|--|--|----------------|
| At beginning and end of the year | <u>70,050</u>                          | <u>(35,952)</u>                        | <u>34,098</u>  |

**7. Ultimate parent company**

The company is a subsidiary undertaking of GHG Intermediate Holdings Limited. The ultimate parent company is Netcare Limited.

The smallest group into which the results of the company are consolidated is GHG 1 (Hospital Operations) Limited. The consolidated accounts of GHG 1 (Hospital Operations) Limited can be obtained from its principal place of business at BMI Healthcare House, 3 Paris Garden, Southwark, London, SE1 8ND. The largest group in which the results of the company are consolidated is Netcare Limited, whose accounts can be obtained from 76 Maude Street, Sandton 2196, South Africa.

As a subsidiary undertaking of General Healthcare Mixer Partnership LLP, the company has taken advantage of the exemption in FRS8 *Related Party Disclosure* from disclosing transactions with other members of the group headed by General Healthcare Mixer Partnership LLP.