

Registered number: 03004585

Independent Surgery Centres Limited

Directors' report and financial statements

For the year ended 31 December 2016



Independent Surgery Centres Limited

Company Information

Directors	G J Hyatt L Talbutt (resigned 28 February 2017) T Newman (appointed 28 February 2017)
Company secretary	T Newman (appointed 28 February 2017) L Talbutt (resigned 28 February 2017)
Registered number	03004585
Registered office	Epsom Gateway 2 Ashley Avenue Epsom Surrey KT18 5AL

Independent Surgery Centres Limited

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Independent Surgery Centres Limited

**Directors' report
For the year ended 31 December 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company is that of a property holding company.

Results and dividends

The profit for the year, after taxation, amounted to £186,450 (2015 - £175,587).

The directors do not propose the payment of a dividend for the year (2015 - £NIL).

Directors

The directors who served during the year were:

G J Hyatt
L Talbutt (resigned 28 February 2017)

No director had any interest in the share capital of the company or any other group company.

Disclosure of information to auditors


The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 14 July 2017 and signed on its behalf.


G J Hyatt
Director

Independent Surgery Centres Limited

Directors' responsibilities statement For the year ended 31 December 2016

The directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 '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 affairs of the Company 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Surgery Centres Limited

Independent auditors' report to the members of Independent Surgery Centres Limited

We have audited the financial statements of Independent Surgery Centres Limited for the year ended 31 December 2016, which comprise the Statement of Income and retained earnings, the Statement of financial position and the related notes. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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, based on the work undertaken during the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Independent Surgery Centres Limited

Independent auditors' report to the members of Independent Surgery Centres Limited (continued)

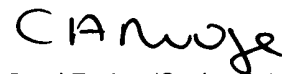
Matter on which we are required to report under the Companies Act 2006

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 any material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.


Carol Rudge (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London, United Kingdom
Date: 14 July 2017

Independent Surgery Centres Limited

**Statement of income and retained earnings
For the year ended 31 December 2016**

	Note	2016 £	2015 £
Turnover	4	228,000	228,000
Cost of sales		(30,304)	(37,128)
Gross profit		197,696	190,872
Interest receivable and similar income	8	3,119	5,135
Interest payable and expenses	9	(14,365)	(20,420)
Profit before tax		186,450	175,587
Profit after tax		186,450	175,587
Retained earnings at the beginning of the year		(384,679)	(560,266)
		(384,679)	(560,266)
Profit for the year		186,450	175,587
Retained earnings at the end of the year		(198,229)	(384,679)

The notes on pages 7 to 15 form part of these financial statements.

Independent Surgery Centres Limited
Registered number: 03004585

Statement of financial position
As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible Fixed Assets	11	1,711,440	1,746,228
Investments	12	104	104
		<u>1,711,544</u>	<u>1,746,332</u>
Current assets			
Debtors: amounts falling due within one year	13	264,987	-
		<u>264,987</u>	<u>-</u>
Creditors: amounts falling due within one year	14	(574,760)	(531,011)
		<u>(574,760)</u>	<u>(531,011)</u>
Net current liabilities		<u>(309,773)</u>	<u>(531,011)</u>
Total assets less current liabilities		<u>1,401,771</u>	<u>1,215,321</u>
Net assets		<u><u>1,401,771</u></u>	<u><u>1,215,321</u></u>
Capital and reserves			
Called up share capital	15	160,000	160,000
Share premium account	16	1,440,000	1,440,000
Profit and loss account	16	(198,229)	(384,679)
		<u>1,401,771</u>	<u>1,215,321</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
14 July 2017



G J Hyatt
Director

The notes on pages 7 to 15 form part of these financial statements.

Independent Surgery Centres Limited

Notes to the financial statements For the year ended 31 December 2016

1. General information

Independent Surgery Centres Limited is a private limited company, incorporated in England and Wales. The registered address of the company is Epsom Gateway, 2 Ashley Avenue, Epsom, Surrey, KT18 5AL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in GBP and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The company is exempt from preparing consolidated financial statements as it is an intermediate holding company whose parent, Nuffield Health, prepares consolidated accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group, as per Companies' Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Reduced disclosure exemption

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.
- financial instrument disclosures including:
 - categories of financial instruments,
 - items of incomes, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.

This information is included in the consolidated financial statements of Nuffield Health as at 31 December 2016 and these financial statements may be obtained from Companies House.

2.3 Going concern

The directors have considered the medium term trading expectations of the company, together with the value of the assets which it owns. The directors are satisfied that the company has adequate resources to continue as a going concern for the foreseeable future. Accordingly, these financial statements have been prepared on the going concern basis.

Independent Surgery Centres Limited

Notes to the financial statements For the year ended 31 December 2016

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured.

Turnover is the amounts receivable by the Company for rents from property. Rental revenue is recognised on an accrual basis.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property is classified as part of property, plant and equipment when it is not held for financial gain and the intention is to transfer the property to the ultimate parent undertaking.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 60 Years or the remaining useful life
Plant and equipment	- Between 3 and 15 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like loans from related parties and investments in non-puttable ordinary shares.

Independent Surgery Centres Limited

**Notes to the financial statements
For the year ended 31 December 2016**

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Debt instruments that are payable or receivable within one year, typically inter-company loans, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Investments in non-puttable ordinary shares are measured at cost less impairment.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2.9 Creditors

Short term creditors are measured at the transaction price.

2.10 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

Independent Surgery Centres Limited

Notes to the financial statements For the year ended 31 December 2016

3. Significant judgements and estimates

Estimation of useful lives and residual values

Tangible fixed assets are depreciated over their useful lives after taking into consideration their expected residual values. The useful lives and residual values are set at the time the assets are acquired and reviewed annually for appropriateness. The lives are based on historical evidence of similar assets as well as anticipating the impact of future events that may affect their lives.

Impairment of tangible fixed assets

Tangible fixed assets are reviewed if events or changes in circumstances indicate the carrying amount may not be recoverable. The impairment test is based on the fair value arising from property values provided by a third party or value in use. The value in use calculations use a cash flow model derived from the budget. The value in use method is subject to assumptions on the rate used to discount expected future cash flows.

Valuation of property

The freehold property can be either an investment property or part of property, plant and equipment. As the intention is to transfer the property to the ultimate parent undertaking in 2017 and is not held for financial gain, the directors are of the opinion that it is part of property plant and equipment.

4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Rents from properties	<u>228,000</u>	<u>228,000</u>

All turnover arose within the United Kingdom.

5. Gross profit

The gross profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	<u>34,788</u>	<u>34,789</u>

6. Auditors' remuneration

The auditors' remuneration for the year ended 2015 and 2016 has been borne by the ultimate parent undertaking, Nuffield Health.

Independent Surgery Centres Limited

**Notes to the financial statements
For the year ended 31 December 2016**

7. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

8. Interest receivable and similar income

	2016 £	2015 £
Interest receivable from group companies	3,119	5,135

9. Interest payable and similar charges

	2016 £	2015 £
Loans from group undertakings	14,365	20,420

10. Taxation

	2016 £	2015 £
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	186,450	175,587
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	37,290	35,117
Effects of:		
Depreciation charge for the year in excess of capital allowances	6,958	6,957
Group relief not paid for	(44,248)	(42,074)
Total tax charge for the year	-	-

Independent Surgery Centres Limited

**Notes to the financial statements
For the year ended 31 December 2016**

10. Taxation (continued)

Factors that may affect future tax charges

In July 2015 the Government announced that the main rate of corporation tax would reduce to 19% from 1 April 2017.

In March 2016 the Government further announced that the main rate of corporation tax will reduce to 17% from 1 April 2020.

11. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2016	2,395,436	634,155	3,029,591
Disposals	-	(634,155)	(634,155)
At 31 December 2016	<u>2,395,436</u>	<u>-</u>	<u>2,395,436</u>
Depreciation			
At 1 January 2016	649,208	634,155	1,283,363
Charge for the period on owned assets	34,788	-	34,788
Disposals	-	(634,155)	(634,155)
At 31 December 2016	<u>683,996</u>	<u>-</u>	<u>683,996</u>
Net book value			
At 31 December 2016	<u>1,711,440</u>	<u>-</u>	<u>1,711,440</u>
At 31 December 2015	<u>1,746,228</u>	<u>-</u>	<u>1,746,228</u>

Independent Surgery Centres Limited

**Notes to the financial statements
For the year ended 31 December 2016**

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	104
	<hr/>
At 31 December 2016	104
	<hr/>
Net book value	
At 31 December 2016	104
	<hr/> <hr/>
At 31 December 2015	104
	<hr/> <hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
	United Kingdom	Ordinary	100 %	Dormant
ISC Estates Limited	United Kingdom	Ordinary	100 %	Dormant
ISC Leasing (Ipswich) Limited	United Kingdom	Ordinary	100 %	Dormant
ISC Projects Limited	United Kingdom	Ordinary	100 %	Property company

13. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	264,987	-
	<hr/> <hr/>	<hr/> <hr/>

The amounts owed by group undertakings are unsecured and repayable on demand. Interest is charged at 2.7%.

Independent Surgery Centres Limited

**Notes to the financial statements
For the year ended 31 December 2016**

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	563,360	515,126
Other taxation and social security	11,400	11,400
Accruals and deferred income	-	4,485
	<u>574,760</u>	<u>531,011</u>

Amounts owed to group undertakings are unsecured and payable on demand. Interest is charged at 2.7%.

15. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,600,000 Ordinary shares of £0.10 each	<u>160,000</u>	<u>160,000</u>

16. Reserves

Share premium account

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

17. Related party transactions

The company is a wholly owned subsidiary of Nuffield Health and its results and net assets are included in the consolidated financial statements of Nuffield Health, its ultimate parent undertaking.

In accordance with s33.5 of Financial Reporting Standard 102 the company is not required to disclose transactions between wholly owned subsidiaries.

Independent Surgery Centres Limited

**Notes to the financial statements
For the year ended 31 December 2016**

18. Ultimate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking is Nuffield Health, a company incorporated in England and Wales and limited by guarantee, with a registered charity number 205533.

The financial statements for Nuffield Health can be obtained from the Company Secretary, Nuffield Health, Epsom Gateway, 2 Ashley Avenue, Epsom KT18 5AL.