



Prospectus for healthcare



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Introduction

Last year our organisation celebrated fifty years of providing healthcare services to the public. Today we are able to explain more about our exciting future direction, building on our heritage to establish an innovative new vision not just for this organisation, but ultimately for healthcare in Britain.

A prospectus is usually a document aimed at securing investment. That is also true of this prospectus, except that we are seeking not financial backing but the investment of the enthusiasm, energy and support of our key stakeholders. Its purpose is to ensure that all of our people, our customers and our business partners understand what we are doing.

The launch of Nuffield Health is not simply a change of name: it is the start of a new health group and a new health brand, reflecting our unique range of capabilities and services. Our position today is the culmination of hard work over recent years to transform our hospitals business and to transition the charity to become an organisation able to significantly improve the health and lives of a broader population.

This document explains our analysis of current health needs and our view on future direction. It considers the benefits we provide, how we deliver them and how we see our role in the new health market. It introduces our services, and outlines our plans for integrating services around the needs of the consumer.

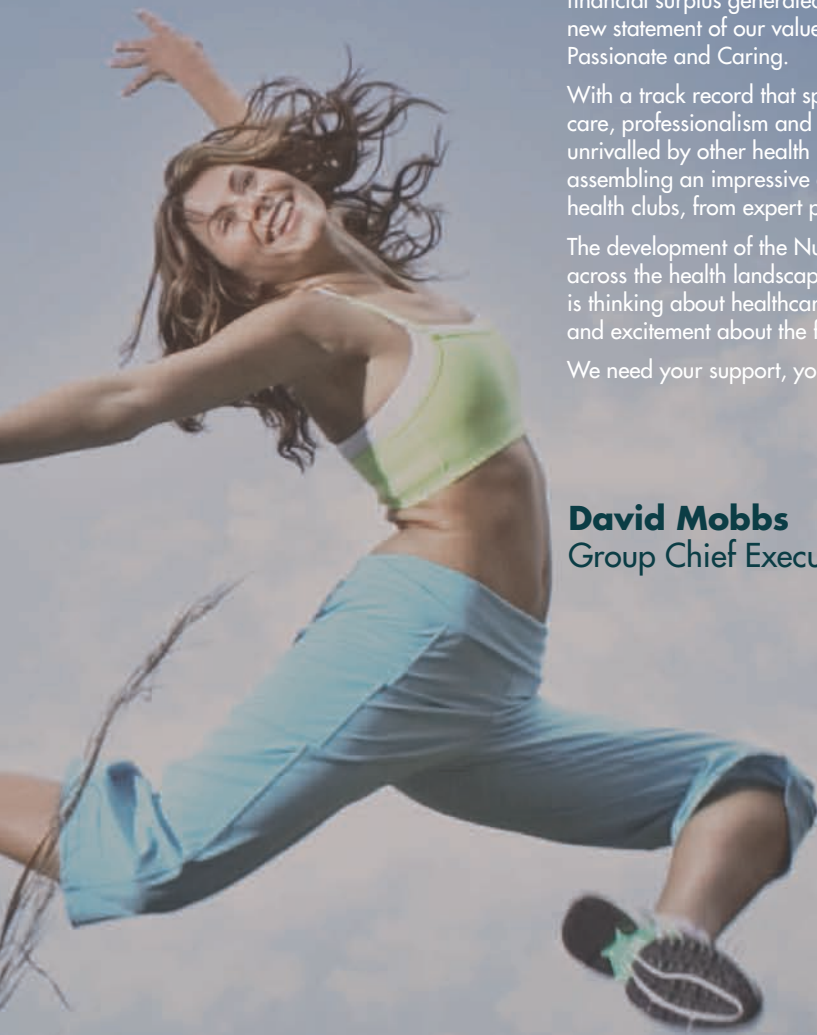
Nuffield Health is the largest trading charity in the UK and holds a unique position in the health sector. No other organisation can combine the freedom to act solely in the interests of the public, with the flexibility to take the long-term view on what is best, backed by an ability to reinvest all financial surplus generated to achieve its aims. We have encompassed this unique position in a new statement of our values: Nuffield Health and its people are Independent and Enterprising, Passionate and Caring.

With a track record that spans half a century, we have built a reputation for high standards of care, professionalism and expertise in delivering health services. We have a depth of experience unrivalled by other health services providers. Over recent years we have added to this by assembling an impressive array of skills, talent, facilities and services that stretch from hospitals to health clubs, from expert personal care to the most sophisticated mobile and networked services.

The development of the Nuffield Health brand will convey our uniqueness as an organisation across the health landscape and will provide credibility for our customers. No other organisation is thinking about healthcare on the same terms and we hope that you will share our enthusiasm and excitement about the future potential of Nuffield Health.

We need your support, your expertise and your passion to bring our vision to life.

David Mobbs
Group Chief Executive





Meeting changing needs

We probably all recognise the biggest health issues facing the country today, such as an ageing population and the increasing impact of modern lifestyles and choices on our health. People are living longer, in part through medical advances, but we are not as a population getting healthier. We all know that simply fixing a rising number of problems is not a good way forward – it is much better if people stay healthy.

New health consumerism

Most people don't need to be told that it is good to be healthy. Across all sections of society, rising affluence and consumerism are fuelling a growing desire for choice and control in all aspects of life; and this extends to how people feel about their health.

This is not just a result of the long period of sustained growth in prosperity, but has also been influenced by other social trends. Public health campaigns encourage us to be more healthy and can, as with the sustained campaign against smoking, have real impact. The desire for good health and a feeling of wellbeing is an aspirational goal that affects every socio-economic group. For some, health is becoming a status symbol, and this can be a powerful motivator.

The baby boomer generation in particular – tomorrow's elderly – are relatively affluent, have a wealth of time and have well-developed skills as consumers.

This section of society has already redefined our perception of ageing and will also redefine our notion of health and wellbeing. They don't want to wait for a problem to occur, they want to know what problems might occur and be ready to deal with it. They won't accept being told what to do, they want the information and advice to enable them to make an informed decision. They don't just want to add years to their life, they want to have a great life in those years.

A need for a new approach to health services

Like other healthcare providers including the NHS, Nuffield Health has for fifty years focused on striving for excellence in diagnosing and treating people's health problems. However, people now take a much broader view of their own health and of the services they need.

Nuffield Health believes there is an increasing gap between what the health consumer needs and what is available. It is time to reinvent how health services are delivered.

We will be the first organisation to unite services to improve and maintain health, to contain the risk of illness and disease, and to provide diagnosis and treatment when it's needed.

We believe we can bring the credibility of an established clinical provider to health and wellbeing services, new energy to healthcare, and innovation to emerging services. In this way we can make a broad range of healthcare services attractive, affordable and accessible to as many people as possible.

All the evidence is that the new health consumer is ready to take more control of their health; but it will take people with vision and energy to give this social phenomenon the impetus it requires. This is Nuffield Health.

The consumer's health landscape

Our research shows that people want to look good and feel positive; they want to delay the ageing process and remain active and independent throughout their lives; and when they have problems, they want quick and effective treatment.

In many cases the lifestyle choices that people make are at odds with these needs, but the needs remain all the same. Research by the Future Foundation suggests that 80% of individuals state that their aim is to stay fit and healthy and that 35% eat healthy foods*. This is at a time when obesity levels are rising and people are generally getting less exercise, which may lead to a range of complications later in life.

Traditional healthcare has not adequately attended to these needs, only the consequences of them not being met. Even where there is timely provision of services, consumers are uncertain of how to access them. This uncertainty of what to do and where to go is being increased by inconsistent advice being provided by everyday sources; from the internet to celebrities. The Future Foundation suggests that 17% of individuals are now using self help websites for information and guidance rather than the relevant professional.

Nuffield Health has looked at the various needs that people have during their lives, and considered the services which they can access to meet those needs. We think that these can be grouped into three broad health objectives, which we think of as the consumer's health landscape.

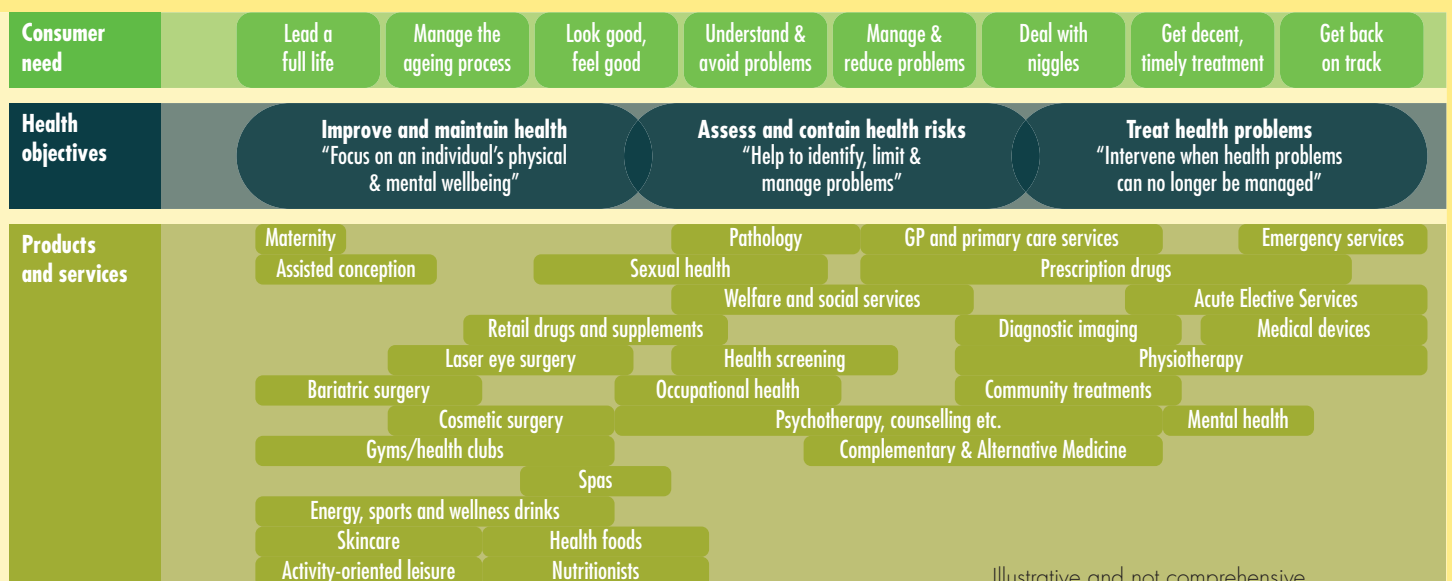
Nuffield Health will help people maintain and improve their health by providing the resources, information and inspiration they need to stay physically and mentally fit. We will help people identify health risk factors before they turn into problems and we will offer interventions to prevent problems turning into crises. Where treatment is needed, we'll be there to support medical experts in providing the best possible care in excellent hospitals.

The customer care we provide and the services we offer will be personal, flexible, convenient, local and affordable. We will focus on markets where the demand for an independent choice is not being met or the consumer is not being served.

Only we can do this because only Nuffield Health has the breadth of capabilities and expertise, from hospitals to health clubs, and the freedom to take a long-term view in the interests of the health consumer.

No-one else is thinking like this and no-one else can act like this. Nuffield Health has already started to evolve a family of unified services and capabilities with the ambition of being able to meet a broad range of needs right across the health landscape.

* Source: Future Foundation, TNS.





The opportunity for Nuffield Health

Nuffield Health has established its position over fifty years as a high quality hospitals operator, helping people to get back to full health when they have problems. This continues to be our largest area of business, but by looking at the landscape of health needs we have identified other exciting opportunities.

- We can take the experience and credibility we have gained in providing high quality care in the complex field of hospital operations to offer services to maintain and improve health and to manage health risks.
- We can build on our experience of providing integrated employee wellness programmes and combine this with the impressive array of skills, talents, facilities and customer relationships we have assembled to provide integrated programmes to a broader population.
- We can use our experience of innovation in supporting our own hospitals and other health providers with the most sophisticated mobile and networked services to help other business partners, such as NHS Trusts, GPs, and employers to deliver a greater benefit than we can deliver on our own.

	Improve and maintain health	
The Market	<p>There are currently many separate markets encompassing products ranging from food and diet, through fitness and exercise to alternative therapies. Provision is fragmented, and there are no compelling health brands with a wide reach.</p> <p>Wellness and health are uppermost in the minds of the new health consumers. This is closely associated with looking good and feeling well, but it is also clear that the new health consumer is no longer willing to wait until problems need fixing.</p> <p>The requirement for greater control and choice will bring with it a demand for a more evidence-based approach (for example the increasing demand for nutritional information in food labelling).</p> <p>Employers want to keep their workforce healthy and motivated (productive), and workplace benefits are no longer just a perk. This is a large, attractive market with a strong appetite for sophisticated, integrated health services. It is an area where enormous benefit can be delivered and innovative approaches can be tested.</p> <p>There is a growing appreciation of the benefits of applying communications and e-technology to improve the relevance and accessibility of integrated health and wellness services.</p>	
The Customer	<p>Employers emerge as a major customer as they seek a healthy and productive workforce and seek to counter the rising cost of traditional healthcare schemes.</p> <p>The new health consumer will demand information and evidence – an intelligent approach to services to help them stay well and feel good.</p>	
The Opportunity	<p>The new health consumer's desire for a more integrated approach to wellness will attract them to those organisations that can demonstrate capability and credibility and provide a spectrum of services and good facilities in convenient locations.</p> <p>To succeed, we must be differentiated, sophisticated and unfailingly good at customer service.</p> <p>Our track record and clinical credibility, aligned to our charitable status and purposes, make us an attractive provider and an attractive business partner.</p>	

"The scientific evidence is compelling. Physical activity not only contributes to wellbeing, but is also essential for good health. People who are physically active reduce their risk of developing major chronic diseases – such as coronary heart disease, stroke and type 2 diabetes – by up to 50%, and the risk of premature death by about 20-30%."

Chief Medical Officer, Department of Health

Assess and contain health risks

This is the least developed area in the health consumer landscape and has the most potential for development. Services are currently limited to pre-treatment diagnostics, screening and some chronic disease management programmes.

Current provision has not yet developed beyond testing to become an integrated service that not only identifies the risk, but helps the consumer to manage their lifestyle and monitor their status.

The core development of this market is at an embryonic stage. There are new technologies emerging, such as genetic testing, that will accurately predict health risks. Much of this technology has still to be validated.

As a consequence there is an absence of any credible products or services to profile and manage health risk, and certainly no operators with capability or credible brands.

This market is likely to emerge piecemeal and develop on a condition-by-condition basis in parallel with developments in health sciences and technology.

Consumer understanding of this market is low and their willingness to purchase these services is untested on any scale. However, we are confident that this will grow and at a very fast pace.

The new health consumer will respond to an integrated approach that combines the identification of health risk with management of lifestyle and the monitoring of their health.

To succeed in this market we will need to combine an enterprising and agile approach to nurturing scientific development with our ability to deliver a caring, personal service.

"There is tremendous potential for technological developments in the identification and management of health risks to transform our whole notion of healthcare."

Dr Andrew Jones, Group Medical Director

Treat health problems

The long-term outlook for services in this field is strong, driven by an ageing population and the progress of health technology. Increasing desire for choice and control will ensure that demand for an independent alternative to the NHS will continue. The market is now mature and competitive, but remains profitable.

However, in the short-term there will be continued turbulence and uncertainty as the effects of NHS reform continue to be felt, and the reaction of other stakeholders, notably the largest medical insurers, also becomes significant.

The advent of NHS patient choice heralds both opportunities and significant challenges. The push to migrate care outside of the hospital environment is focused on the traditional range of treatments offered by independent hospitals, and there is great appetite for true innovations such as Nuffield Health's mobile services.

There will be a virtuous circle of consumers being offered and demanding greater control and choice. Patients will become better informed and more sophisticated, challenging every aspect of the traditional healthcare culture.

The rising cost of healthcare will lead to a change in approach to employer-funded health schemes, combining the desire for a healthy workforce with that of the requirement for high-quality services to identify and fix problems.

The new health consumer's desire to exercise choice and control over the location, the environment and the delivery of their care will become increasingly important.

It is imperative that we have the best business practices in place to absorb pressure on prices.

We will need to introduce products that are accessible to a wide range of consumers and meet their needs.

We will need to help Consultants grow referrals from a broader customer base through brand recognition and increased access to services.

We must have strong partnerships as it will become increasingly difficult to succeed as a stand-alone hospitals operator.

"Hospitals remain central to our purpose, and we will continue to invest in and grow our activity both in hospitals and across a wider spectrum of health and healthcare services."

Douglas Gardner, Chairman, Nuffield Health



Customers

Nuffield Health serves a variety of customers with a wide range of needs and goals – including individuals, healthcare professionals, employers, insurers and public bodies.

Nuffield Health embraces this diversity and the challenge it presents. We aim to reach as many people as possible through a variety of channels. In all cases Nuffield Health has a single objective: to improve the consumer's experience of healthcare.

During 2007, an estimated 750,000 people benefited from our services: from yoga classes through diagnostic scans to major surgery. We:

- Met the health and fitness needs of over 235,000 regular members and many thousands of people accessing facilities on a pay-as-you-go basis
- Conducted over 50,000 health and wellbeing assessments
- Provided 89,000 patients with physiotherapy
- Provided 19,000 patients with treatment in our mobile theatres and endoscopy units
- Conducted 45,000 MRI and CT Scans
- Working with consultant partners, provided treatment for more than 330,000 patients in the hospitals, including:
 - 80,000 people who benefited from improved mobility and reduced pain as a result of hip, knee and other orthopaedic procedures
 - 15,000 people who benefited from improved sight as a result of ophthalmic procedures, such as cataract replacements
 - Over 500 people who received surgical treatment to address severe obesity, many of whom would not have been able to access treatment through the NHS

Professionals and organisations

Additionally, we must consider the needs of healthcare professionals and various organisations who are also, directly or indirectly, our customers.

These include:

- Employers, who increasingly wish to improve the health of their employees, perhaps to reduce absenteeism or as part of their social responsibility agenda, in addition to providing a benefit to their employees
- GPs wanting access to high quality diagnostic and treatment services for their patients with good communication and minimum hassle
- Consultants seeking a reliable, supportive base for their private practice and, in many cases, a business partner with whom they can work to increase business and share control
- Private Medical Insurance companies looking for a provider who can provide a level of service to policyholders that reflects well on the insurer, whilst ensuring good value for money
- Primary Care Trusts looking for ways to improve services to their local population by increasing access and reducing waiting times

For each of these customers we are continuing to develop our account management capability to maximise our responsiveness and our ability to add value to the partnership. Working with these partners, we can deliver more care to more people. Although the requirements of our different customer types vary, the single objective of delivering and continuously improving the delivery of healthcare remains constant.





Brand and values

The launch of the Nuffield Health brand is to help our customers understand the diverse range of services that we provide. Nuffield Health brings together all the parts of what was the Nuffield Hospitals Group including Nuffield Hospitals, Nuffield Proactive Health, Cannons Health & Fitness, Nuffield Diagnostics and Vanguard Healthcare.

The new brand is more than a change of name and logo. We want to be at the forefront of people's minds when they think about any aspect of health. Nuffield Health is about easy access to high quality, reliable, joined-up healthcare, and about helping people to understand all the choices they are making.

We will develop Nuffield Health into a leading consumer healthcare brand over the next few years. In bringing all of our services together under Nuffield Health, we aim to make our organisation much more understandable to anyone wanting to use the services we provide. As our brand grows and we become more recognisable, we will add more value to our business partnerships such as those with consultants and insurers, as their customers will have a higher perceived value of the overall service when we are involved.

Every aspect of our new branding has a clear and deliberate purpose based on extensive market research:

- The name Nuffield Health and the updated shield maintain a clear link with a long and proud record of serving the needs of patients, but reflects the move to providing services across the health landscape.
- Consumers associate green with health in the broadest sense; along with life, vitality and renewal. In particular, this gives us some differentiation from other hospital and gym providers.
- Consumers want us to focus on the benefits of our services – feeling great and being able to live a full life – rather than the systems and processes that underpin them.

As a charitable, not-for-profit organisation, Nuffield Health is driven by its values and our success is measured by the impact that we make on people's health and lives. Nuffield Health has embraced four key values that we believe reflects the spirit of the organisation and our people: we are Passionate and Caring, Independent and Enterprising.

Our people deliver our services and it is they who will bring these values to life. As we launch the brand, all members of staff will have a chance to interpret these values in the way that is relevant to them.

Independent and Enterprising

Nuffield Health is a charity. We are free to reinvest any surplus we make for our customers' benefit.

This puts us in a unique position to constantly challenge the status quo, anticipate emerging needs, and seek better ways of doing things for our customers.

Nuffield Health combines the best disciplines of business with the social values of a charity. As a charity, our success is defined by our ability to improve people's health. As a business, our success is driven by our customers' long-term satisfaction.

Passionate and Caring

It is our passion for the health of others that gives us the energy, dedication and commitment to make a difference, helping our customers improve their health and to change their lives for the better. Whatever we do at Nuffield Health, our customers' health is our ultimate concern.

Care is at the heart of our business and always has been. Looking after the needs of others requires compassion and devotion, so it's a special type of person who chooses to work with Nuffield Health. Our work is more than just a job to us. Being warm and empathetic towards our customers, focusing on their individual needs and feelings, we make a real difference.



Services



Hospitals

Nuffield Health has run independent hospitals for over 50 years, and has the UK's third largest portfolio of independent hospitals for the delivery of elective surgery, rehabilitation, medical services and diagnostic tests.

The aim is to improve a patient's health through providing excellent care on an individual basis that leads to a good outcome in a safe and comfortable environment. All of the hospitals and services meet the highest standards of UK healthcare regulation, have negligible infection rates and maintain very high patient satisfaction levels.

Our services are delivered by highly trained and caring staff in conjunction with leading Consultant practitioners across a wide range of elective medical and surgical clinical specialities. These include specialties such as Orthopaedics, Ophthalmology and General Surgery as well as Cosmetic Surgery. In total we offer more than 1,500 different surgical procedures, ranging from simple lumps and bumps, to internal diagnostic procedures and major surgery.

New services continue to be developed in conjunction with our Consultant partners to meet the demands of both local communities and national health needs. For example, the prevalence of obesity in society continues to rise but many people want to take control over their personal situation, so we have introduced weight management services including Bariatric Surgery in ten of our hospitals.

Each of the hospitals have strong relationships with local Primary Care Trusts and GPs. Over 2,200 GPs refer to one of the hospitals or practicing Consultants on a regular basis. During 2007, all of the hospitals in England achieved the accreditation required to provide services under the NHS Patient Choice policy.

Our not-for-profit status has enabled high levels of continual investment in equipment and infrastructure, from the building of advanced hospitals in Leeds, Oxford and York to new theatres in Plymouth and major refurbishments in Newcastle and Chester. This investment will continue to ensure that the hospitals remain first choice for patients and consultants.

Workplace Fitness and Wellbeing Services

Nuffield Health is the leading expert in employee health, providing fitness and wellbeing services to many of the UK's major businesses and over 150,000 employees annually.

We are the first UK organisation to offer employers a single point of access to a seamless spectrum of health, wellbeing and fitness services underpinned by the highest standards of medical care and expertise. Our services include in-house fitness facilities, health and wellbeing assessment programmes, health fairs and onsite clinicians (including GPs, Dentists, Physiotherapists, Nurses and Complementary Therapists).

Our approach coordinates the work of all practitioners to provide personalised wellness programmes, tailored to the needs of individual clients, guided by the needs of the employer. These services are underpinned by innovative systems and processes.

Nuffield Health's integrated approach to employee fitness and wellbeing delivers improved employee health outcomes, and is acknowledged as the industry benchmark for this sector.

Health and Fitness Clubs

The recent acquisition of Cannons Health & Fitness has enabled Nuffield Health to extend its innovative approach to fitness and wellbeing to a wider population. The clubs serve some 175,000 regular members and offer a number of affordable and flexible membership options, including in some cases pay-as-you-go. A number of the facilities are run on behalf of local authorities, maximising affordable access, and many have crèches to ensure that parents can fully enjoy the facilities.

Our health clubs are designed to help members "feel brilliant", and provide a wide range of services including well equipped gyms, group classes, swimming pools, therapy rooms and personal training. Members at all our health clubs have access to expertise to develop personalised programmes of activity to help them achieve their goals. Our approach motivates and empowers people to take control of their health whilst having fun.

Cannons members will continue to enjoy the latest exercise facilities and highly personalised service that they have come to expect, with a warm welcome and a lively atmosphere. We will gradually introduce additional services to help them manage other health and wellness needs at their convenience, learning from our work-place experience and drawing on our clinical expertise.

Mobile Services

Nuffield Health operates the world's leading fleet of mobile hospital units, including fully-specified mobile theatres with surgical clean air ('laminar flow') capability and dedicated endoscopy suites with on-board instrument sterilisation, supported by ward and outpatient units. This enables a uniquely innovative approach to day surgery. Nuffield Health works very closely with host organisations, both in the NHS and independent sector, to meet the exact requirements of each client. For example, we can provide the facility alone or a fully-staffed solution.

Our units can be deployed anywhere in Britain and Ireland overnight. These mobile facilities have been used extensively to increase or replace short-term capacity in fixed sites (for example during theatre refurbishment), but are also increasingly used to deliver mainstream clinical services on a routine basis. Much of this increasing demand recognises the advantages of undertaking surgery closer to the patients' local community and outside of the traditional hospital environment. For example, in conjunction with one Foundation Trust, Nuffield Health will be enabling the provision of day surgery from several NHS community hospitals, helping to maintain their popular local role.

In 2007, we launched six state-of-the-art mobile MRI scanners (which provide soft-tissue images, for example to support orthopaedic surgery), and a fleet of dedicated mammography screening units. These will be followed soon by Europe's first mobile 64-slice CT scanner – a major step forward in technology to support the diagnosis and treatment of heart disease.

Diagnostics

As part of its growing mobile capacity, Nuffield Health offers diagnostic services from its network of hospitals and clinics across the UK. We intend to be one of the most significant providers of diagnostic services in the UK and lead the development and delivery of services to help individuals take control of their health by identifying problems that might exist or early signs of disease.

In 2007, a £50m investment programme in our diagnostic capability commenced that will improve quality and speed of access for patients and Consultant partners. The investment will provide the capability to create, store and communicate images digitally and will be delivered through some of Europe's most advanced mobile diagnostic units (including specialised mammography units) and hospital-based technology.

In early 2008, Nuffield Health acquired an interest in Medica, the UK's leading tele-reporting business. When combined with the modernisation of our imaging capability, this will set Nuffield Health apart in the diagnostic imaging market. We will be able to offer an end-to-end digital service supported by tele-reporting that will enable a doctor's opinion on an image to be available within a matter of minutes, wherever the image was taken.

Resources

Locations

Nuffield Health delivers services from more than 200 locations including hospitals, health and fitness clubs, health assessment centres and client workplaces. Overall, two thirds of the UK public now have easy access to a service from a Nuffield Health facility that can have a positive impact on their health. There is no other provider of health services, outside the NHS, that can give such a level of access.

There are currently 87 Nuffield Health facilities providing services available to the public:

- 31 Hospitals
- 52 Health and Fitness Clubs (Cannons Health Clubs)
- 4 Medical Centres (Edinburgh, Manchester and two in London)

We run many services in partnership with other organisations:

- 2 joint venture partnerships in development with consultants to provide diagnostics and day surgery: Vale Healthcare in Cardiff and The Guildford Clinic in Surrey
- 15 leisure centres and other facilities run for local authorities, mainly under the Courtneys brand.
- 100+ client-site health and fitness facilities providing services for employees (and often families) of large and medium-sized businesses.
- 400+ accredited physiotherapy clinics (with over 1,000 Physiotherapists) in the *Fusion* network. This is the largest network of Physiotherapists outside the NHS, allowing us to offer access to services wherever they are needed. Currently 80% of the UK public can access a Nuffield Health accredited Physiotherapist within 20 minutes.

We also have unique mobile capabilities:

- 6 state-of-the-art mobile MRI scanners and Europe's most advanced mobile CT scanner
- 34 mobile theatres that can be deployed virtually anywhere in Britain overnight, and can stay for anything from a single day to five years in one place depending on the client's requirements.



People

The delivery of an exceptional customer experience depends on the expertise and passion of our employees and partners. Each customer has specific needs, and we work together to ensure that customers remain at the centre of all decision making and are able to exercise choice and control over their health.

Nuffield Health attracts the kind of caring and committed professionals required to deliver the quality of services expected by its customers. Overall there are 11,000 individuals who work for Nuffield Health including:

- 4,000+ clinical practitioners
- 1,000+ fitness and lifestyle advisers
- 60 physiologists
- 20 full-time GPs

Additionally, Nuffield Health works in partnership with over 5,600 consultants delivering the highest standards of surgery and medicine. Over 1,000 Physiotherapists are accredited under our *Fusion* network.

Map Key

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- Hospitals
- Consultant Partnerships
- Health and Fitness Clubs
- Client Site Health and Fitness Facilities
- Health Assessment Centres
- Mobile Services - long-term contracts
- Sterile Service Units



Work in progress

Nuffield Health reinvests any surplus generated to constantly improve and expand its services and increase access. Projects currently ongoing include:

- £50million modernisation of diagnostic capability including the implementation of systems to record, store and communicate digital images (PACS) and facilitate radiological reporting (RIS)
- Extending the opportunity to Consultant Radiologists to report remotely using the technology and expertise of Medica
- The build and roll-out of further mobile MRI units with an innovative patient-friendly design, joining the six that entered service in 2007
- The launch of Europe's first mobile 64-slice CT scanner
- Development of our mobile digital mammography service
- Completion of hospital modernisation programmes in Newcastle, Chester and Plymouth
- Commencement of the modernisation and development of hospitals in Bournemouth, Leicester, Cambridge and Warwick
- Development of the Vale Clinic in Cardiff
- Development and fit-out of the Guildford Clinic
- The commencement of an £8million programme of investment in the strategic development of the Cannons and Courtneys estate, enabling the provision of integrated health services
- Completion of a £20million investment programme to provide a series of modern instrument sterilisation plants across the UK
- Development of an Electronic Patient Record



Governance

Nuffield Health has the attributes required to succeed and make a real impact on health.

Modern business approach

Nuffield Health combines the principles and values-based approach of a charity with the day-to-day business discipline required to succeed in competitive markets.

Our operational activities are managed in the three broad areas of Fitness and Wellbeing, Diagnostics and Mobile Services, and Hospitals. The Group will provide strategy, governance and shared infrastructure, allowing us to keep the benefits of an enterprising culture whilst individually and collectively contributing to the Group's charitable objectives.

Bringing together businesses that work across the healthcare landscape will create an environment where knowledge and expertise can be shared for the benefit of the organisation and its customers. Nuffield Health will derive additional benefits from economies of scale; benefits that can be passed back to customers through affordable pricing and increased investment in additional services.

In this way we will be able to develop and maintain a competitive position across a broad range of services.

Financial strength

In order to achieve its aims and objectives, Nuffield Health must be financially robust and sustainable. In recent years we have diversified our business to areas beyond private hospital activity, reduced cost across our business and begun to establish a shared services platform to gain benefits from scale.

We have reduced annualised operating costs by over £25million without affecting service levels, and have addressed key financial risks, for example through diversification and the introduction of robust costing and standardised pricing in the hospitals business.

Our financial strength is characterised by:

- Increasing revenues with reduced reliance on hospitals
- Consistently increasing operating earnings enabling high levels of re-investment
- Strong balance sheet with growing assets and controlled debt

We aim to generate a surplus to provide funds for investment in the development and growth of the charity's services to enable us to better meet our objectives. Over the course of the last five years we have invested circa £450million in the building of new hospitals, the development and modernisation of existing hospitals and the development of new services.

Our planning horizons are long-term. We can see beyond short-term political and market pressures or shareholder expectations with a commitment to providing healthcare services for the next 50 years.

Note: 2007 proforma figures are full-year adjustments for the disposal of nine hospitals and acquisition of Cannons Health & Fitness to indicate the ongoing effect of these transactions.

Established governance structure

Nuffield Health has a well-established governance structure that ensures that the business is properly directed and managed at all times.

Nuffield Health is both a charity and a company limited by guarantee without share capital. This means that we adhere to the values of a charity and pursue charitable objectives, but adopt the best business practices and act with commercial integrity at all times. Our Governors are therefore both the Trustees of the Charity under Charity Law, and the Directors of the company under Company Law.

The Board of Governors determines the strategy for achieving our charitable objectives, including what activities will be pursued and where investment will be allocated. As Trustees of the Charity, the Board of Governors has a legal duty to ensure that Nuffield Health delivers a public benefit.

In accordance with Company Law, Nuffield Health also has a body of appointed Members, from among whom the Governors are drawn. The Members have formal responsibilities to elect Governors and to review the Annual Report and Accounts. They also act as ambassadors for the organisation, and provide valuable advice. We are actively seeking new Members and anybody interested in learning more is invited to contact the Company Secretary.

The operational management of the organisation is delegated by the Board of Governors to the Group Chief Executive and the executive directors.

Nuffield Health has a robust process to manage risk. The Board is supported by sub-committees including those responsible for integrated governance and audit. Nuffield Health has invested in appropriate systems to identify, report and manage risk of all kinds.

Charitable objectives and strategy

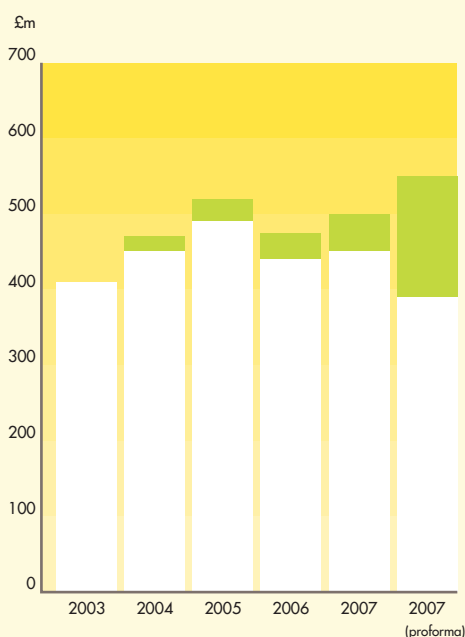
Nuffield Health is a charity registered in England, and has applied for registration in Scotland.

The Charity's objectives are to advance, promote and maintain health and healthcare of all descriptions and to prevent, relieve and cure sickness and ill health of every kind.

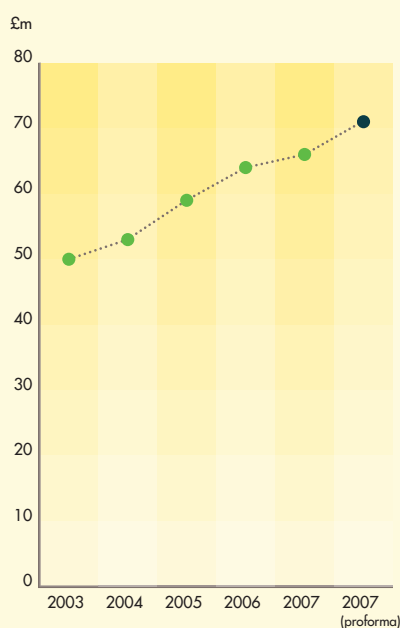
This document has outlined the strategy that Nuffield Health has adopted in order to best fulfil its objectives, including the principle activities that it will undertake. We believe that our strategy will deliver an important range of health services to the public and also contribute to the advancement of healthcare generally in the UK through innovation, enterprise and leadership, transforming the consumer's experience of healthcare.

In line with Charity Law, Nuffield Health will from 2009 report in detail on how this strategy fulfils its duty to deliver public benefit.

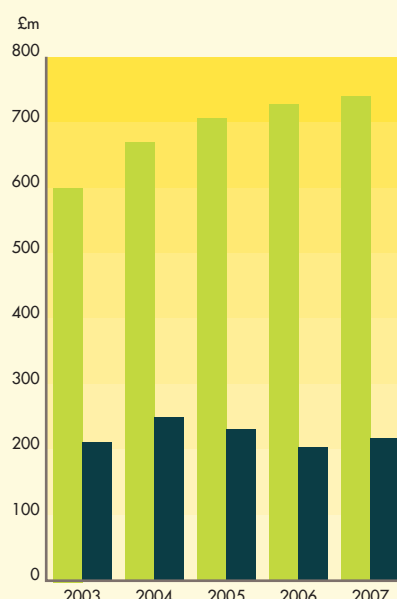
**Revenue (£million)
2003 -07**



**Earnings before tax, depreciation
and amortisation (£million) 2003-07**



**Total Assets and Debt (£million)
2003-07**



Non Hospital Revenue
Hospital Revenue

Total Assets
Debt



Nuffield House
1-4 The Crescent
Surbiton
Surrey KT6 4BN

nuffieldhealth.com (Launching in June 2008)

Registered Charity Number: 205533
Registered Company Number: 576970

Note: the company is registered as Nuffield Hospitals until May 2008