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# **Priory Holdings Company No. 1 Limited**

**Annual Report and Unaudited Financial Statements**

**for the Year Ended 31 December 2017**

**Registration number: FC027623**

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**Priory Holdings Company No. 1 Limited**

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# **Priory Holdings Company No. 1 Limited**

## **Company Information**

<b>Directors</b>	Trevor Torrington Nigel Myers
<b>Company secretary</b>	David Hall
<b>Registered office</b>	c/o M&C Corporate Services Ltd PO Box 309GT Ugland House South Church Street George Town

## **Priory Holdings Company No. 1 Limited**

### **Strategic Report for the Year Ended 31 December 2017**

The Directors present their strategic report for the year ended 31 December 2017.

#### **Principal activity**

The principal activity of the company is to act as an investment holding company.

#### **Fair review of the business**

The results for the year are set out in the profit and loss account on page 5 and the position of the company as at the year end is set out in the balance sheet on page 7.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of Priory Group UK 1 Limited (formerly Partnerships in Care UK 1 Limited), an intermediate parent of the company, is discussed in the group's financial statements which includes the company and does not form part of this report.

#### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principle risks and uncertainties of Priory Group UK 1 Limited (formerly Partnerships in Care UK 1 Limited), which include those of the company, are discussed in the group's financial statements which do not form part of this report.

Approved by the Board on 20 July 2018 and signed on its behalf by:



David Hall  
Company secretary

# Priory Holdings Company No. 1 Limited

## Directors' Report for the Year Ended 31 December 2017

The Directors present their report and the financial statements for the year ended 31 December 2017.

### Directors of the Company

The directors who held office during the year were as follows:

Trevor Torrington

Nigel Myers

The directors do not recommend the payment of a final dividend (2016: £nil). No dividends were paid during the year (2016: £nil).

### Financial instruments

The company's operations mean that it is exposed to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The directors monitor the risks in order to limit the adverse effects on the financial performance by reviewing levels of debt finance and the related finance costs, however these are integrated with the risks of the group and not managed separately. Accordingly, the financial risk management policies of Priory Group UK 1 Limited (formerly Partnerships in Care UK 1 Limited), which include those of the company, are discussed in the group's annual report which does not form part of this report.

### Future developments

The future developments of the company are aligned to the strategy of the UK Group, headed by Priory Group UK 1 Limited (formerly Partnerships in Care UK 1 Limited). The group's strategy for the future development of the business is included in the group's annual report, which does not form part of this report.

### Going concern

The intermediate parent company, Priory Group UK 1 Limited (formerly Partnerships in Care UK 1 Limited), has confirmed that it will continue to provide financial support to the company for the foreseeable future and for at least twelve months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on the going concern basis.

### Auditors

The company is incorporated in the Cayman Islands and registered in both the Cayman Islands and the UK. The company is not required to publish audited financial statements. The purpose of these financial statements is to meet the obligations for filing in both the UK and the Cayman Islands. The filing requirements for the Cayman Islands are significantly less in scope than those for the UK. These financial statements have been prepared in accordance with applicable UK accounting standards and UK companies' legislation as applied to overseas companies and under the historical cost convention. References in these financial statements to the Companies Act and other legislation are therefore references to UK legislation. These financial statements comply the Companies Act 2006 as applied to overseas companies.

Approved by the Board on 20 July 2018 and signed on its behalf by:



David Hall  
Company secretary

## **Priory Holdings Company No. 1 Limited**

### **Statement of Directors' Responsibilities**

The Directors acknowledge their responsibilities for preparing the Annual 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 or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting 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.

## **Priory Holdings Company No. 1 Limited**

### **Profit and Loss Account for the Year Ended 31 December 2017**

	<b>Note</b>	<b>2017 £ 000</b>	<b>2016 £ 000</b>
Turnover		-	-
Operating profit/(loss)		-	-
Profit/(loss) before tax		-	-
Profit/(loss) for the financial year		-	-

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

## **Priory Holdings Company No. 1 Limited**

### **Statement of Comprehensive Income for the Year Ended 31 December 2017**

	<b>Note</b>	<b>2017 £ 000</b>	<b>2016 £ 000</b>
Profit/(loss) for the year		-	-
Total comprehensive income for the year		-	-



## Priory Holdings Company No. 1 Limited

(Registration number: FC027623)

### Balance Sheet as at 31 December 2017

	Note	2017 £ 000	2016 £ 000
<b>Fixed assets</b>			
Investments	4	10	10
<b>Current assets</b>			
Debtors	5	<u>31</u>	<u>31</u>
<b>Net assets</b>		<u>41</u>	<u>41</u>
<b>Capital and reserves</b>			
Called up share capital	6	-	-
Share premium reserve		10	10
Profit and loss account		<u>31</u>	<u>31</u>
Total equity		<u>41</u>	<u>41</u>

Approved and authorised by the Board on 20 July 2018 and signed on its behalf by:



Nigel Myers

Director

The notes on pages 9 to 16 form an integral part of these financial statements.

## Priory Holdings Company No. 1 Limited

### Statement of Changes in Equity for the Year Ended 31 December 2017

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	-	10	31	41
At 31 December 2017	-	10	31	41

  

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2016	-	10	31	41
At 31 December 2016	-	10	31	41

# **Priory Holdings Company No. 1 Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2017**

### **1 General information**

The company is a private company limited by share capital incorporated in Cayman Islands.

The address of its registered office is:

c/o M&C Corporate Services Ltd

PO Box 309GT

Ugland House

South Church Street

George Town

Cayman Islands

These financial statements were authorised for issue by the Board on 20 July 2018.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **Basis of preparation**

The financial statements are presented in sterling, rounded to the nearest thousand. They are prepared on a going concern basis and under the historical cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below, and, unless otherwise stated, these policies have been consistently applied to all the periods presented.

#### **Summary of disclosure exemptions**

The principle disclosure exemptions adopted by the company in accordance with FRS 102 are as follows:

- Statement of cash flows;
- Certain financial instrument disclosures;
- Disclosure of key management personnel compensation;
- Disclosures in respect of related party transactions entered into between fellow group companies (the company has no other related party transactions); and
- Roll-forward reconciliations in respect of share capital.

The company has taken advantage of the exemption, under FRS 102 from preparing a statement of cash flows, on the basis that it is a qualifying entity and its intermediate parent company, Priory Group UK 1 Limited (formerly Partnerships in Care UK 1 Limited), includes the company's cash flows in its own consolidated financial statements.

#### **Going concern**

The financial statements have been prepared on a going concern basis.

## Priory Holdings Company No. 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 2 Accounting policies (continued)

##### Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

##### Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

##### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### 3 Directors' remuneration

The costs relating to the directors' services have been borne by Priory Central Services Limited, a fellow group company. No amounts have been recharged (2016: £nil) to the company in respect of the directors' services and the directors do not believe that it is practical to allocate these costs between group companies.

#### 4 Investments in subsidiaries, joint ventures and associates

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost or valuation</b>	
At 1 January 2017	<u>10</u>
At 31 December 2017	<u>10</u>
<b>Carrying amount</b>	
At 31 December 2017	<u>10</u>
At 31 December 2016	<u>10</u>

## Priory Holdings Company No. 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 4 Investments in subsidiaries, joint ventures and associates (continued)

##### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2017	2016
<b>Subsidiary undertakings</b>				
Priory Holdings Company No 2 Limited	Cayman Islands	Ordinary shares	100%	100%
Cockermouth Propco Limited	United Kingdom	Ordinary shares	100%	100%
Priory Holdings Company No 3 Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Bristol (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Chadwick (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Coach House (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Condoover (Property) Limited	United Kingdom	Ordinary shares	100%	100%
Priory Coombe House (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Eastwood Grange (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Eden Grove (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Farm Place (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Hemel Grange (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Hove (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Jacques Hall (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Marchwood (Property) Limited	Cayman Islands	Ordinary shares	100%	100%

## Priory Holdings Company No. 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 4 Investments in subsidiaries, joint ventures and associates (continued)

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
Priory Mark College (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Nottingham (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Roehampton (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Sheridan House (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Sketchley Hall (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Solutions (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Sturt (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Tadley Court (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Unsted Park (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Widnes (Property) Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Healthcare Limited	United Kingdom	Ordinary shares	100%	100%
Priory Rehabilitation Services Limited	United Kingdom	Ordinary shares	100%	100%
Priory Education Services Limited	United Kingdom	Ordinary shares	100%	100%
Priory Central Services Limited	United Kingdom	Ordinary shares	100%	100%
Velocity Healthcare Limited	United Kingdom	Ordinary shares	100%	100%
Renova LLP	United Kingdom	Membership capital	100%	100%
Priory (Thetford 1) Limited	United Kingdom	Ordinary shares	100%	100%
Priory (Thetford 2) Limited	United Kingdom	Ordinary shares	100%	100%
Thetford Trustee LLP	United Kingdom	Membership capital	100%	100%
Castlecare Group Limited	United Kingdom	Ordinary shares	100%	100%

## Priory Holdings Company No. 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 4 Investments in subsidiaries, joint ventures and associates (continued)

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			100%	100%
Castlecare Holdings Limited	United Kingdom	Ordinary shares	100%	100%
Castle Homes Care Limited	United Kingdom	Ordinary shares	100%	100%
Castle Homes Limited	United Kingdom	Ordinary shares	100%	100%
Quantum Care (UK) Limited	United Kingdom	Ordinary shares	100%	100%
Castlecare Cymru Limited	United Kingdom	Ordinary shares	100%	100%
Castlecare Education Limited	United Kingdom	Ordinary shares	100%	100%
Rothcare Estates Limited	United Kingdom	Ordinary shares	100%	100%
C O Developments Limited	United Kingdom	Ordinary shares	100%	100%
Priory Care Homes Holdings Limited	United Kingdom	Ordinary shares	100%	100%
Helden Homes Limited	United Kingdom	Ordinary shares	100%	100%
Life Works Community Limited	United Kingdom	Ordinary shares	100%	100%

## **Priory Holdings Company No. 1 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **4 Investments in subsidiaries, joint ventures and associates (continued)**

The principal activity of Priory Holdings Company No 2 Limited is to act as a holding company.

The principal activity of Cockermouth Propco Limited is property development.

The principal activity of Priory Holdings Company No 3 Limited is to act as a holding company.

The principal activity of Priory Bristol (Property) Limited is property development.

*The principal activity of Priory Chadwick (Property) Limited is property development.*

The principal activity of Priory Coach House (Property) Limited is property development

*The principal activity of Priory Condover (Property) Limited is property development.*

The principal activity of Priory Coombe House (Property) Limited is property development.

The principal activity of Priory Eastwood Grange (Property) Limited is property development.

The principal activity of Priory Eden Grove (Property) Limited is property development.

The principal activity of Priory Farm Place (Property) Limited is property development.

The principal activity of Priory Hemel Grange (Property) Limited is property development.

The principal activity of Priory Hove (Property) Limited is property development.

The principal activity of Priory Jacques Hall (Property) Limited is property development.

The principal activity of Priory Marchwood (Property) Limited is property development.

The principal activity of Priory Mark College (Property) Limited is property development.

The principal activity of Priory Nottingham (Property) Limited is property development.

The principal activity of Priory Roehampton (Property) Limited is property development.

The principal activity of Priory Sheridan House (Property) Limited is property development.

The principal activity of Priory Sketchley Hall (Property) Limited is property development.

The principal activity of Priory Solutions (Property) Limited is property development.

*The principal activity of Priory Sturt (Property) Limited is property development.*

The principal activity of Priory Tadley Court (Property) Limited is property development.

The principal activity of Priory Unsted Park (Property) Limited is property development.

The principal activity of Priory Widnes (Property) Limited is property development.

The principal activity of Priory Healthcare Limited is specialist healthcare.

The principal activity of Priory Rehabilitation Services Limited is brain injury rehabilitation services.

The principal activity of Priory Education Services Limited is schools for children with special needs.

The principal activity of Priory Central Services Limited is management services.

The principal activity of Velocity Healthcare Limited is specialist healthcare.

The principal activity of Renova LLP is non trading.

The principal activity of Priory (Thetford 1) Limited is non trading.

The principal activity of Priory (Thetford 2) Limited is non trading.

The principal activity of Thetford Trustee LLP is non trading.



## Priory Holdings Company No. 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 4 Investments in subsidiaries, joint ventures and associates (continued)

The principal activity of Castlecare Group Limited is non trading.  
The principal activity of Castlecare Holdings Limited is non trading.  
The principal activity of Castle Homes Care Limited is children's care homes  
The principal activity of Castle Homes Limited is children's care homes.  
The principal activity of Quantum Care (UK) Limited is children's care homes.  
The principal activity of Castlecare Cymru Limited is children's care homes.  
The principal activity of Castlecare Education Limited is specialist education services.  
The principal activity of Rothcare Estates Limited is a property company.  
The principal activity of C O Developments Limited is property development.  
The principal activity of Priory Care Homes Holdings Limited is non trading.  
The principal activity of Helden Homes Limited is rehabilitation services.  
The principal activity of Life Works Community Limited is specialist healthcare.

#### 5 Debtors

	2017 £ 000	2016 £ 000
Amounts owed by related parties	31	31
Total current trade and other debtors	31	31

Amounts owed by related parties are unsecured, non-interest bearing and repayable on demand.

#### 6 Share capital

##### Allotted, called up and fully paid shares

	No. 000	2017 £ 000	No. 000	2016 £ 000
Ordinary shares of £1 each	-	-	-	-

## **Priory Holdings Company No. 1 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **7 Parent and ultimate parent undertaking**

The company's immediate parent is Priory Investments Holdings Limited, incorporated in the United Kingdom.

The ultimate parent is Acadia Healthcare Company Inc., incorporated in the US.

#### **Relationship between entity and parents**

The parent of the largest group in which these financial statements are consolidated is Acadia Healthcare Company Inc., incorporated in United States of America.

The address of Acadia Healthcare Company Inc. is:  
830 Crescent Centre Drive, Suite 610, Franklin, TN 37067, United States of America.

The parent of the smallest group in which these financial statements are consolidated is Priory Group UK 1 Limited (formerly Partnerships in Care UK 1 Limited), incorporated in United Kingdom.

The address of Priory Group UK 1 Limited (formerly Partnerships in Care UK 1 Limited) is:  
Fifth Floor, 80 Hammersmith Road, London, W14 8UD, United Kingdom.