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Priory Condover (Property) Limited
Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2016
Registration number: FC027630

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Priory Condover (Property) Limited

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Priory Condover (Property) Limited

Company Information

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

Priory Condovery (Property) Limited

Strategic Report for the Year Ended 31 December 2016

The Directors present their strategic report for the year ended 31 December 2016.

Principal activity

The principal activity of the company is to act as a property development company.

Fair review of the business

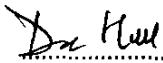
The results for the year are set out in the profit and loss account on page 5 and the position of the company as at the year end is set out in the balance sheet on page 7.

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 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 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 31 August 2017 and signed on its behalf by:



David Hall
Company secretary

Priory Condovery (Property) 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.

Directors of the Company

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

Tom Riall (resigned 30 November 2016)

Mark Moran (resigned 1 March 2016)

Trevor Torrington (appointed 30 November 2016)

Nigel Myers (appointed 30 November 2016)

The directors do not recommend the payment of a final dividend (2015: £nil). No dividends were paid during the year (2015: £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 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 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, 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 31 August 2017 and signed on its behalf by:



David Hall
Company secretary

Priory Condover (Property) 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 Condoover (Property) Limited

Profit and Loss Account for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Turnover		-	-
Operating profit/(loss)		-	-
Interest payable and similar charges	3	(906)	(881)
		(906)	(881)
Loss before tax		(906)	(881)
Taxation	5	(56)	(167)
Loss for the financial year		(962)	(1,048)

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 Condover (Property) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Loss for the year		<u>(962)</u>	<u>(1,048)</u>
Total comprehensive income for the year		<u><u>(962)</u></u>	<u><u>(1,048)</u></u>

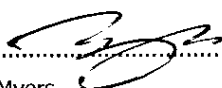
Priory Condoover (Property) Limited

(Registration number: FC027630)

Balance Sheet as at 31 December 2016

	Note	2016 £ 000	2015 £ 000
Current assets			
Debtors	6	15,403	16,476
Creditors: Amounts falling due within one year		<u>(56)</u>	<u>(167)</u>
Total assets less current liabilities		15,347	16,309
Creditors: Amounts falling due after more than one year		<u>(27,311)</u>	<u>(27,311)</u>
Net liabilities		<u>(11,964)</u>	<u>(11,002)</u>
Capital and reserves			
Called up share capital	7	-	-
Share premium reserve		10	10
Profit and loss account		<u>(11,974)</u>	<u>(11,012)</u>
Total equity		<u>(11,964)</u>	<u>(11,002)</u>

Approved and authorised by the Board on 31 August 2017 and signed on its behalf by:



 Nigel Myers
 Director

Priory Condover (Property) Limited

Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2016	-	10	(11,012)	(11,002)
Loss for the year	-	-	(962)	(962)
Total comprehensive income	-	-	(962)	(962)
At 31 December 2016	-	10	(11,974)	(11,964)

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2015	-	10	(9,964)	(9,954)
Loss for the year	-	-	(1,048)	(1,048)
Total comprehensive income	-	-	(1,048)	(1,048)
At 31 December 2015	-	10	(11,012)	(11,002)

Priory Condover (Property) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

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 31 August 2017.

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, 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 Condoover (Property) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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 Interest payable and similar charges

	2016	2015
	£ 000	£ 000
Interest payable on loans from group undertakings	<u>906</u>	<u>881</u>

4 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 (2015: £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.

Priory Condovery (Property) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

5 Taxation

Tax charged/(credited) in the income statement

	2016	2015
	£ 000	£ 000
Current taxation		
UK corporation tax	<u>56</u>	<u>167</u>

Priory Condoover (Property) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

5 Taxation (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2015 - higher than the standard rate of corporation tax in the UK) of 20% (2015 - 20.25%).

The differences are reconciled below:

	2016 £ 000	2015 £ 000
Loss before tax	<u>(906)</u>	<u>(881)</u>
Corporation tax at standard rate	(181)	(178)
Tax increase (decrease) from transfer pricing adjustments	<u>237</u>	<u>345</u>
Total tax charge	<u>56</u>	<u>167</u>

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the company's profits for this accounting year are taxed at an effective rate of 20.00% (2015: 20.25%).

The main rate of corporation tax has been reduced from 20% to 19% with effect from 1 April 2017 and from 19% to 17% with effect from 1 April 2020.

6 Debtors

	2016 £ 000	2015 £ 000
Amounts owed by related parties	<u>15,403</u>	<u>16,476</u>
Total current trade and other debtors	<u>15,403</u>	<u>16,476</u>

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

Priory Condovery (Property) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

7 Share capital

Allotted, called up and fully paid shares

	No. 000	2016 £ 000	No. 000	2015 £ 000
Ordinary shares of £1 each	-	-	-	-

8 Loans and borrowings

	2016 £ 000	2015 £ 000
Non-current loans and borrowings		
Other borrowings	27,311	27,311

Amounts owed to group undertakings are unsecured, bear interest at December 2014 LIBOR plus 2.25% per annum and are payable on demand. However, the relevant group undertaking has confirmed to the directors of the company that it will not seek repayment of this loan within twelve months after the year end and accordingly these amounts have been shown as amounts falling due after more than one year.

9 Parent and ultimate parent undertaking

The company's immediate parent is Priory Holdings Company No 2 Limited, incorporated in the Cayman Islands.

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 Partnerships in Care UK 1 Limited, incorporated in United Kingdom.

The address of Partnerships in Care UK 1 Limited is:
Fifth Floor, 80 Hammersmith Road, London, W14 8UD, United Kingdom