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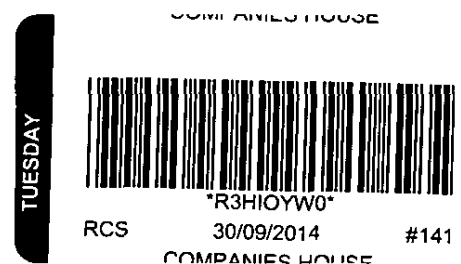
## Priory Widnes (Property) Limited

Directors' report and financial statements

Year ended 31 December 2013

Incorporated in the Cayman Islands with registered  
number MC-186990

UK Registered number FC027635



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## Strategic report for the year ended 31 December 2013

The directors present their strategic report on Prory Widnes (Property) Limited for the year ended 31 December 2013

### Principal activities and review of business

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

The results for the year are set out in the profit and loss account on page 4 and the position of the company as at the year end is set out in the balance sheet on page 5

### Key performance indicators

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 Prory Group No 1 Limited, which includes the company, is discussed in the group's annual report which does not form part of this report

### Financial risk management

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 group and not managed separately. Accordingly, the financial risk management policies of Prory Group No 1 Limited, which include those of the company, are discussed in the group's annual report which does not form part of this report

The company's management is committed to a continued growth strategy

### 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 principal risks and uncertainties of Prory Group No 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 Prory Group, headed by Prory Group No 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

By order of the board



**D Hall**  
*Company secretary*  
19 September 2014

## Directors' report for the year ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013

### Going concern

The ultimate parent company, Prory Group No 1 Limited, has confirmed that it will continue to provide financial support to the company for the foreseeable future and for at least 12 months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on the going concern basis.

### Dividends

The directors do not recommend the payment of a dividend (2012 £nil)

### Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows

Professor C Thompson (resigned 20 June 2013)  
J Lock

In accordance with the articles of association, no directors retire by rotation

### Statement of directors' responsibilities

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 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 then 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

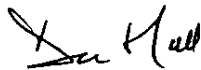
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

## **Directors' report for the year ended 31 December 2013** *(continued)*

### **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 with the Companies Act 2006 as applied to overseas companies.

By order of the board



**D Hall**  
*Company Secretary*

PO Box 309GT  
Ugland House  
South Church Street  
George Town  
Grand Cayman  
Cayman Islands

19 September 2014

**Profit and loss account**  
*for the year ended 31 December 2013*

	<i>Note</i>	<b>2013 £000</b>	<b>2012 £000</b>
<b>Operating result</b>		-	-
Interest payable and similar charges	3	(253)	(290)
<b>Loss on ordinary activities before taxation</b>	2	(253)	(290)
Tax on loss on ordinary activities	4	(107)	(109)
<b>Loss for the financial year</b>	9	(360)	(399)

The results for the current and prior year derive from continuing activities

The company had no other recognised gains or losses for the year other than the loss above, therefore no statement of total recognised gains and losses is presented

There is no difference between the loss before taxation and the loss for the year stated above and their historical cost equivalents

## Balance sheet

As at 31 December 2013

	Note	£000	2013 £000	£000	2012 £000
<b>Current assets</b>					
Debtors	5	10,230		10,230	
<b>Creditors</b> amounts falling due within one year	6	(3,625)		(3,265)	
<b>Net current assets</b>			<b>6,605</b>		<b>6,965</b>
<b>Creditors</b> amounts falling due after more than one year	7		(7,750)		(7,750)
<b>Net liabilities</b>			<b>(1,145)</b>		<b>(785)</b>
<b>Capital and reserves</b>					
Called up share capital	8		-		-
Share premium	9		10		10
Profit and loss account	9		(1,155)		(795)
<b>Total shareholders' deficit</b>	10		<b>(1,145)</b>		<b>(785)</b>

The financial statements on pages 4 to 9 were approved by the board of directors on 19 September 2014 and were signed on its behalf by



J Lock  
 Director

UK registered number FC027635

## Notes to the financial statements for the year ended 31 December 2013

### 1 Accounting policies

The following accounting policies have been applied consistently in the company's financial statements

#### ***Basis of preparation***

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 with the Companies Act 2006 as applied to overseas companies.

The ultimate parent company, Priory Group No 1 Limited, has confirmed that it will continue to provide financial support to the company for the foreseeable future and for at least 12 months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on the going concern basis.

Under Financial Reporting Standard 1 'Cash flow statements' (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Priory Group No 1 Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group.

#### ***Group relief***

Payment is generally made for group relief at the current tax rate at the time of first estimating the tax provision. To the extent that amendments are subsequently made to the group relief plan, there is generally no payment or receipt in respect of the change.

### 2 Loss on ordinary activities before taxation

The directors received no emoluments for services to the company during the year (2012 nil)

The company had no employees during the year or prior period.

### 3 Interest payable and similar charges

	2013 £000	2012 £000
Interest payable to group undertakings	253	290



## Notes to the financial statements for the year ended 31 December 2013 (continued)

### 4 Tax on loss on ordinary activities

	2013 £000	2012 £000
<i>UK corporation tax</i>		
Current tax charge on loss for the financial year	107	109

The tax charge of £107,000 in the year (2012 £109,000) has been relieved by the surrender of losses by other group companies in exchange for payment of the same amount

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 23.25% (2012 24.49%). The actual tax charge for the year is higher than (2012 higher than) the standard rate for the reasons set out in the following reconciliation

	2013 £000	2012 £000
<i>Loss on ordinary activities before taxation</i>	(253)	(290)
Tax on loss on ordinary activities at standard rate	(59)	(71)
Factors affecting charge for the year		
Transfer pricing adjustments	166	180
	107	109

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the company's profits for this accounting year are taxed at an effective rate of 23.25% (2012 24.49%).

In his budget speech on 20 March 2013, the Chancellor announced that the main rate of corporation tax would change from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015. The change was substantively enacted in July 2013, as such the company's deferred tax balances have been restated to reflect their expected unwind at 20% rather than the main rate of 23%.

**Notes to the financial statements for the year ended 31 December 2013**  
*(continued)*

**5 Debtors**

	2013 £000	2012 £000
Amounts due from group undertakings	10,230	10,230
	<u>10,230</u>	<u>10,230</u>

**6 Creditors, amounts falling due within one year**

	2013 £000	2012 £000
Amounts due to group undertakings	3,518	3,156
Group relief recoverable	107	109
	<u>3,625</u>	<u>3,265</u>

Amounts due to group undertakings are unsecured, non-interest bearing and repayable on demand

**7 Creditors: amounts falling due after more than one year**

	2013 £000	2012 £000
Amounts due to group undertakings	7,750	7,750
	<u>7,750</u>	<u>7,750</u>

Amounts due to group undertakings are unsecured, bear interest at LIBOR plus 2.25% per annum and are repayable on demand. It is not expected that the demand would be made or that these amounts will be paid within one year and accordingly these amounts have been shown as amounts falling due after more than one year.

**8 Called up share capital**

	2013 £	2012 £
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

## Notes to the financial statements for the year ended 31 December 2013 (continued)

### 9 Reserves

	Share premium £000	Profit and loss account £000
At 1 January 2013	10	(795)
Loss for the financial year	-	(360)
<b>At 31 December 2013</b>	<b>10</b>	<b>(1,155)</b>

### 10 Reconciliation of movements in shareholders' deficit

	2013 £000	2012 £000
Loss for the financial year	(360)	(399)
<b>Net movement in shareholders' deficit</b>	<b>(360)</b>	<b>(399)</b>
Opening shareholders' deficit	(785)	(386)
<b>Closing shareholders' deficit</b>	<b>(1,145)</b>	<b>(785)</b>

### 11 Contingent liabilities

At 31 December 2013, borrowings of a fellow group undertaking were secured by fixed and floating charges over all the assets of the company

### 12 Ultimate parent company

The company is a subsidiary undertaking of Priory Holdings Company No 2 Limited, which is incorporated in the Cayman Islands

The ultimate parent undertaking and controlling party is Priory Group No 1 Limited, a company incorporated in England. Priory Group No 1 Limited is beneficially owned by funds managed by Advent International Corporation which is considered by the directors to be the ultimate controlling party of the company

Priory Group No 1 Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2013. Priory Group No 3 PLC is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2013. The consolidated financial statements of Priory Group No 1 Limited and Priory Group No 3 PLC can be obtained from the Company Secretary at 80 Hammersmith Road, London, W14 8UD