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**Priory Sketchley Hall (Property)
Limited**

Directors' report and financial statements

Year ended 31 December 2015

Incorporated in the Cayman Islands with registered
number MC-186994
UK Registered number FC027640



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Directors' report for the year ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015

Principal activities

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

Business review

The company did not trade during the year

Dividends

The directors do not recommend the payment of a dividend (2014 *£nil*)

Directors

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

J Lock (resigned 1 April 2015)

T Riall (appointed 1 March 2016)

M Moran (appointed 1 April 2015, resigned 1 March 2016)

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

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.

Directors' report for the year ended 31 December 2015 *(continued)*

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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

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 United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements, and
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of the financial statements

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.



D Hall
Company secretary

PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

12 September 2016

Profit and loss account

for the year ended 31 December 2015

The company has not traded during the year or the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore made neither a profit nor a loss.

Balance sheet

at 31 December 2015

	Note	2015 £	2014 £
Current assets			
Debtors	2	10,000	10,000
Net assets		<u>10,000</u>	<u>10,000</u>
Capital and reserves			
Called up share capital	3	2	2
Share premium		9,998	9,998
Total shareholders' funds		<u>10,000</u>	<u>10,000</u>

The company has remained dormant throughout the year.

These financial statements were approved by the board of directors on 12 September 2016 and were signed on its behalf by



T Riall
 Director

Statement of changes in equity
for the year ended 31 December 2015

	Called up share capital £	Share premium £	Total shareholders' funds £
At 1 January 2014, 31 December 2014 and 31 December 2015	2	9,998	10,000

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The company is a private limited company 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and UK companies' legislation as applied to overseas companies. 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 financial statements are presented in sterling. 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.

The company has adopted FRS 102 in these financial statements. The company's date of transition to FRS 102 is 1 January 2014. The company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the company in these financial statements. The impact of the amendments to the company's previously adopted accounting policies in accordance with UK GAAP (excluding FRS 102) was not material to the shareholders' equity as at the date of transition or as at 31 December 2014 or as at 31 December 2015, nor on the profit or loss for the years ended 31 December 2014 and 31 December 2015.

The principal 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 preparation of financial statements in conformity with FRS 102 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

2 Debtors

	2015 £	2014 £
Amounts due from group undertakings	10,000	10,000

Amounts due from group undertakings due within one year are non-interest bearing and repayable on demand.

Notes to the financial statements for the year ended 31 December 2015 (continued)

3 Called up share capital

	2015	2014
	£	£
<i>Allotted, called up and fully paid</i>		
2 (2014 2) ordinary shares of £1 each	2	2
	<hr/>	<hr/>

4 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 at 31 December 2015 was Priory Group No 1 Limited, a company incorporated in England. Priory Group No 1 Limited was beneficially owned by funds managed by Advent International Corporation which was considered by the directors to be the ultimate controlling party of the company

On 16 February 2016 the entire share capital of Priory Group No 1 Limited was acquired by Whitewell UK Investments 1 Limited, an indirect wholly owned subsidiary of Acadia Healthcare Company Inc. From this date the ultimate parent undertaking and controlling party is Acadia Healthcare Company Inc

Priory Group No 1 Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2015. Priory Group No 3 PLC is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2015. 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