

# **Highbank Private Hospital Limited**

Directors' report and financial statements

Year ended 31 December 2003

Registered number 2049088



## Contents

Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report to the members of Highbank Private Hospital Limited	3
Profit and loss account	4
Balance sheet	4
Notes	5

## Directors' report

The directors present their annual report and the financial statements for the year ended 31 December 2003.

### Principal activities

The company's principal activity is the development of units for the care of individuals with an acquired brain injury, stroke or other form of neurological disorder.

### Business review

The company did not trade during the year

### Proposed dividend

The directors do not recommend the payment of a dividend (2002: *£nil*).

### Directors and directors' interests

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

Dr CB Patel  
PJ Greensmith

On 9 January 2004, T Mack was appointed as a director of the company.

In accordance with the articles of association, no directors retire by rotation. None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

The interests of Dr CB Patel and PJ Greensmith in the shares of Priory Healthcare Investments Limited (the ultimate parent company) are disclosed in the financial statements of that company.

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**PJ Greensmith**  
Company secretary

Priory House  
Randalls Way  
Leatherhead  
Surrey  
KT22 7TP

20 May 2004

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditors' report to the members of Highbank Private Hospital Limited**

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

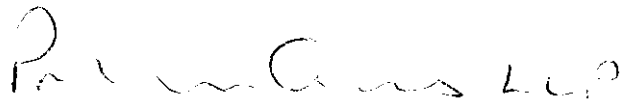
### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
*Chartered Accountants and Registered Auditors*  
London

20 May 2004

**Profit and loss account**  
*for the year ended 31 December 2003*

During the financial year and the preceding financial year, the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

**Balance sheet**  
*at 31 December 2003*

	Note	2003 £000	2002 £000
<b>Fixed assets</b>			
Tangible assets – assets in course of construction		89	-
<b>Current assets</b>			
Debtors – amounts due from group undertakings	351	351	
<b>Creditors: amounts falling due within one year</b>			
Amounts due to group undertakings	(89)	-	
<b>Net current assets</b>		262	351
<b>Net assets</b>		351	351
<b>Capital and reserves</b>			
Called up share capital	2	-	-
Profit and loss account		351	351
<b>Shareholders' funds - equity</b>		351	351

These financial statements were approved by the board of directors on 20 May 2004 and were signed on its behalf by:



**PJ Greensmith**  
 Director

## Notes

*(forming part of the financial statements)*

### 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 financial statements have been prepared in accordance with applicable UK accounting standards and under the historical cost accounting rules.

As the company is a wholly owned subsidiary of Priory Healthcare Investments Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

### 2 Called up share capital

	2003 £	2002 £
<b><i>Authorised</i></b>		
10,000 (2002: 10,000) Ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
<b><i>Allotted, called up and fully paid</i></b>		
100 (2002: 100) Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

### 3 Ultimate parent company

The company is a subsidiary undertaking of Priory Securitisation Limited, which is incorporated in England.

The largest group in which the results of the company are consolidated is that headed by Priory Healthcare Investments Limited. No other group accounts include the results of the company.