Specialised Courses Offering Purposeful Education Limited

Annual report and financial statements for the year ended 31 December 2014

Registered number: 2485984

Specialised Courses Offering Purposeful Education Limited

Annual report and financial statements

for the year ended 31 December 2014

Contents

Specialised Courses Offering Purposeful Education Limited

Strategic report for the year ended 31 December 2014

The directors present their strategic report on Specialised Courses Offering Purposeful Education Limited for the year ended 31 December 2013.

Principal activities and review of business

The principal activity of the company continues to be care delivery. The results for the year are set out in the profit and loss account on page 6 and the position of the company as at the year end is set out in the balance sheet on page 7. The company is focussed on the private education sector and the performance of the company can be impacted by external factors. The principal factors are changes in the UK government's policy towards outsourcing of education, changes in the regulatory regime and competitive threats from other independent providers. Management uses a range of financial and non-financial indicators to manage the business. These are derived from all areas of the business and include sales growth by unit, occupancy and profit margins achieved. Gross profit margins have increased from (45.2)% in 2013 to (15.5)% in 2014. Operating exceptional items of £228,000 (2013: £5,558,000) were charged to the profit and loss account in the year in respect of reorganisation and rationalisation costs, impairment of property, plant and equipment, and an onerous lease, details of which are set out in note 2 and note 11.

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 Priory Group No. 1 Limited, which includes the company, are 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 the group and not managed separately. Accordingly, the financial risk management policies of Priory 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.

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 Priory 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 Priory Group, headed by Priory 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

David Hall
Company Secretary
27 August 2015

Directors' report for the year ended 31 December 2014

The directors present their report and the audited financial statements of the company for the year ended 31 December 2014.

Going concern
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.

Dividends
The directors do not recommend the payment of a dividend (2013: £nil).

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

Jason Lock	(resigned 1 April 2015)
Mark Moran	(appointed 1 April 2015)
Matthew Franzidis	(resigned 7 January 2015)
Tom Riall	

Employees
The directors recognise that the continued position of the company in the healthcare sector depends on the quality and motivation of its employees and as such the company is committed to pursue employment policies, which will continue to attract, retain and motivate its employees.

Good and effective employee communications are particularly important, and throughout the business it is the directors' policy to promote the understanding by all employees of the company's business aims and performance. This is achieved through internal publications, presentations on performance and a variety of other approaches appropriate for a particular location. Employees are consulted on issues through workshops, which are run regularly across the group.

The directors believe that it is important to recruit and retain capable and caring staff regardless of their sex, marital status, race or religion. It is the company's policy to give full and fair consideration to applications for employment from people who are disabled, to continue wherever possible the employment of and to arrange appropriate training for, employees who become disabled and to provide equal opportunities for the career development, training and promotion of disabled employees.

Future developments
The future developments of the company are discussed in the strategic report.

Independent auditors
The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Provision of information to auditors
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Statement of directors' responsibilities
The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101). 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 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- Notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of the financial statements; and
- Prepare the financial statements on a 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.

By order of the board

D Hall

David Hall
Company Secretary
27 August 2015

80 Hammersmith Road
London
England
W14 8UD

Independent auditors' report to the members of Specialised Courses Offering Purposeful Education Limited

Report on the financial statements

Our opinion

In our opinion, Specialised Courses Offering Purposeful Education Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Specialised Courses Offering Purposeful Education Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended;
- the statement of changes in shareholders' deficit for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Specialised Courses Offering Purposeful Education Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Tom Yeates (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle Upon Tyne
27 August 2015

Specialised Courses Offering Purposeful Education Limited

Profit and loss account for the year ended 31 December 2014

	Note	**2014**	2013
		£'000	£'000
Turnover	1	**851**	1,349
Cost of sales		**(983)**	(1,959)
Gross loss		**(132)**	(610)
Administrative expenses (including exceptional costs of £228,000, 2013: £5,558,000)	2	**(240)**	(5,572)
Operating loss		**(372)**	(6,182)
Interest payable and similar charges	5	**(54)**	(5)
Loss on ordinary activities before taxation	2	**(426)**	(6,187)
Tax on loss on ordinary activities	6	**47**	1,392
Loss for the financial year		**(379)**	(4,795)

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

The company has no other comprehensive income for the period.

Specialised Courses Offering Purposeful Education Limited

Balance sheet as at 31 December 2014

	Note	**2014**	2013
		£'000	£'000
Fixed assets			
Property, plant and equipment	7	**28**	181
Current assets			
Stocks		**-**	2
Debtors	8	**304**	1,681
Cash at bank and in hand		**-**	2
		304	1,685
Creditors: amounts falling due within one year	9	**(1,073)**	(1,181)
Net current (liabilities)/assets		**(769)**	504
Total assets less current liabilities		**(741)**	685
Creditors: amounts falling due after more than one year	10	**-**	(28)
Provisions for liabilities	11	**(4,984)**	(6,003)
Net liabilities		**(5,725)**	(5,346)
Capital and reserves			
Called up share capital	12	**2**	2
Profit and loss account		**(5,727)**	(5,348)
Total shareholders' deficit		**(5,725)**	(5,346)

The financial statements on pages 6 to 21 were approved by the board of directors on 27 August 2015 and were signed on its behalf by:

Mark Moran
Director

Registered number: 2485984

Specialised Courses Offering Purposeful Education Limited

Statement of changes in shareholders' deficit for the year ended 31 December 2014

	Called up share capital	Profit and loss account	Total
	£'000	£'000	£'000
At 1 January 2013	2	(553)	(551)
Loss for the financial year	-	(4,795)	(4,795)
At 1 January 2014	2	(5,348)	(5,346)
Loss for the financial year	-	(379)	(379)
At 31 December 2014	**2**	**(5,727)**	**(5,725)**

Specialised Courses Offering Purposeful Education Limited

Statement of accounting policies

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

Basis of preparation
The company is a private limited company, incorporated and domiciled in the United Kingdom.

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.

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.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 "Reduced Disclosure Framework (FRS 101) and, the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 12 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

These are the first financial statements of the Company prepared in accordance with FRS 101. The Company's date of transition to FRS 101 is 1 January 2013. 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 101) was not material to the shareholders' equity as at the date of transition or as at 31 December 2013 or as at 31 December 2014, nor on the profit or loss for the years ended 31 December 2013 and 31 December 2014.

The principle disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- Statement of cash flows;
- IFRS 7 financial instrument disclosures;
- IAS 1 information on management of capital;
- IAS 8 disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- IAS 24 disclosure of key management personnel compensation;
- IAS 24 disclosures in respect of related party transactions entered into between fellow group companies (the company had no other related party transactions); and
- Roll-forward reconciliations in respect of share capital (IAS 1) and property, plant and equipment (IAS 16)

Statement of accounting policies (continued)

Basis of preparation (continued)
The preparation of financial statements in conformity with FRS 101 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.

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements on the grounds that it is included in the consolidated financial statements of a parent undertaking. These financial statements present information about the company as an individual undertaking and not about its group.

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Assets in the course of construction represent the direct costs of purchasing, constructing and installing property, plant and equipment ahead of their productive use. No depreciation is provided on an asset that is in the course of construction until it is completed and the asset is ready for its intended use.

Depreciation is provided to write off the cost less the estimated residual value of property, plant and equipment by equal instalments over their estimated useful economic lives as follows:

Short leasehold land and buildings	-	over the lease term
Fixtures and fittings	-	over 3 to 16 years
Motor vehicles	-	over the shorter of the lease term and 4 years

The expected residual values and useful lives of the assets to the business are reassessed, and adjusted if appropriate at each balance sheet date. Land is not depreciated on the basis that land has an unlimited life. Where the cost of land and buildings cannot be split, the directors have estimated that the value attributable to land is 22% of the cost of the land and buildings, based on experience.

Cash
Cash comprises all bank balances and is stated in the balance sheet at fair value. The company does not hold any cash equivalents.

Exceptional items
Items that are both material and non-recurring and whose significance is sufficient to warrant separate disclosure and identification are referred to as exceptional items. Items that may give rise to classification as exceptional include, but are not limited to, significant and material restructuring and reorganisation programme and acquisition costs.

Statement of accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit can differ from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years, or that are never taxable or deductible. The company's liability for current tax is calculated using rates that have been effective during the accounting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax liabilities and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax balances are not discounted.

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.

Turnover and revenue recognition

Turnover represents consideration received for the provision of services to customers. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes. Turnover is recognised as the services are provided. Turnover received in advance is included in deferred income until the service is provided. Turnover in respect of services provided but not yet invoiced by the period end is included within accrued income.

Provisions

Provisions for dilapidation lease costs are recognised when the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. The provisions are not discounted and not recognised for future operating loss.

Statement of accounting policies (continued)

Leases
Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Leased assets classified as property, plant and equipment are depreciated over the shorter of their useful economic life or the period of the lease.

Lease payments made in respect of finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Lease payments made in respect of operating leases are recognised on a straight line basis over the term of the lease.

Stocks
Stocks comprise primarily medical drugs and catering supplies and are stated at the lower of cost and net realisable value.

Retirement benefit costs
The company participates in a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Asset impairment
Property, plant and equipment is tested for impairment by management when a trigger event that might affect asset values has occurred. An impairment loss is recognised in the profit and loss account to the extent that the carrying amount cannot be recovered either by selling the asset or by the discounted future earnings from an income-generating unit, which is an individual business operational unit.

Notes to the financial statements for the year ended 31 December 2014

1 Turnover

The company's turnover, loss on ordinary activities before taxation and net liabilities arise primarily from its principal activity of care delivery.

All turnover and loss on ordinary activities before taxation arose within the United Kingdom and from one class of business.

2 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2014	2013
	£'000	£'000
Depreciation of tangible assets:		
Owned	**124**	104
Leased	**18**	21
Operating lease rentals – land and buildings	**67**	594
Operating exceptional costs:		
Restructuring and reorganisation	**10**	55
Onerous leases	**-**	5,503
Impairment of property, plant and equipment	**218**	-
Management charges from fellow subsidiary	**12**	14

Restructuring and reorganisation costs relate to streamlining of the company's operations.

The remuneration of the auditors of £1,000 (2013: £1,000) was borne by another group undertaking.

3 Remuneration of directors

The costs relating to the directors' services have been borne by Priory Central Services Limited, a fellow subsidiary undertaking. No amounts have been recharged 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.

Notes to the financial statements for the year ended 31 December 2014 (continued)

4 Staff numbers and costs

The average monthly number of persons employed by the company (including directors) during the year, analysed by activity, was as follows:

	2014	2013
	Number	Number
Analysis by activity:		
Nursing	**25**	37
Ancillary	**1**	3
Administrative	**9**	10
	35	50

The aggregate payroll costs of these persons were as follows:

	2014	2013
	£'000	£'000
Wages and salaries	**557**	825
Social security costs	**41**	62
Other pension costs (note 14)	**4**	5
	602	892

5 Interest payable and similar charges

	2014	2013
	£'000	£'000
On finance leases and hire purchase agreements	**4**	5
Unwind of provisions (note 11)	**50**	-
	54	5

Notes to the financial statements for the year ended 31 December 2014 (continued)

6 Tax on loss on ordinary activities

	2014	2013
	£'000	£'000
UK corporation tax:		
Current tax credit arising in the year	**(62)**	(1,411)
Total current tax credit	**(62)**	(1,411)
Deferred tax:		
Origination and reversal of timing differences	**15**	(17)
Effect of tax rate change on opening balances	**-**	36
Total deferred tax charge	**15**	19
Total tax credit	**(47)**	(1,392)

The current tax credit of £63,000 (2013: £1,141,000) on the loss for the year has been relieved by the surrender of losses to 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 21.5% (2013: 23.25%). The actual tax credit for the year is lower (2013: lower) than the standard rate for the reasons set out in the following reconciliation:

	2014	2013
	£'000	£'000
Loss on ordinary activities before taxation	**(426)**	(6,187)
Tax on loss on ordinary activities at the standard rate	**(92)**	(1,438)
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	**62**	11
Impact of rate changes	**-**	36
Transfer pricing adjustments	**(17)**	(1)
Total tax credit for the year	**(47)**	(1,392)

Notes to the financial statements for the year ended 31 December 2014 (continued)

6 Tax on loss on ordinary activities (continued)

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the company's profits for this accounting year are taxed at an effective rate of 21.5% (2013: 23.25%).

In his budget speech on 20 March 2013, the Chancellor announced that the main rate of corporation tax would change from 21% to 20% from 1 April 2015. This 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 21%.

7 Property, plant and equipment

	Short term leasehold land and buildings	Furniture and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2014	568	947	76	1,591
Additions	-	207	-	207
At 31 December 2014	**568**	**1,154**	**76**	**1,798**
Accumulated depreciation				
At 1 January 2014	568	812	30	1,410
Impairment charge	-	218	-	218
Charge for the year	-	124	18	142
At 31 December 2014	**568**	**1,154**	**48**	**1,770**
Net book amount				
At 31 December 2014	**-**	**-**	**28**	**28**
At 31 December 2013	-	135	46	181

All motor vehicles are held under finance leases.

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 Debtors

	2014	2013
	£'000	£'000
Trade debtors	**-**	11
Group relief recoverable	**63**	1,411
Deferred tax asset	**237**	254
Other debtors	**3**	-
Prepayments and accrued income	**1**	5
	304	1,681

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

	£'000
Deferred tax:	
As at 1 January 2014	254
Charged to the profit and loss account	(17)
As at 31 December 2014	**237**

An analysis of the deferred tax asset, included within debtors, is as follows:

	2014	2013
	£'000	£'000
Accelerated capital allowances	**137**	154
Short term timing differences	**100**	100
	237	254

Notes to the financial statements
for the year ended 31 December 2014 (continued)

9 Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000
Amounts owed to group undertakings	861	767
Obligations under finance leases and hire purchase contracts (note 10)	-	18
Taxation and social security	7	17
Other creditors	23	37
Accruals and deferred income	182	342
	1,073	1,181

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10 Creditors: amounts falling due after more than one year

	2014	2013
	£'000	£'000
Obligations under finance leases and hire purchase contracts	-	28

Obligations under finance leases and hire purchase contracts are payable as follows:

	2014	2013
	£'000	£'000
Within one year	-	18
In more than one year, but not more than five years	-	28
	-	46

Notes to the financial statements for the year ended 31 December 2014 (continued)

11 Provisions for liabilities

	Onerous lease provision	Dilapidation provision	Total
	£'000	£'000	£'000
At 1 January 2014	5,503	500	6,003
Unwind of discount	50	-	50
Utilised during the year	(569)	(500)	(1,069)
At 31 December 2014	**4,984**	-	**4,984**

Onerous lease
A provision has been made for the onerous payments in relation to one site and is based on the expected onerous element of future payments over the remaining life of the lease. The provision has been discounted and is expected to be utilised over the remaining life of the lease.

Dilapidation provision
Provisions have been recorded for costs of returning properties held under operating leases to the state of repair at the inception of the lease. These provisions are expected to be utilised on the termination of the underlying leases.

12 Called up share capital

	2014	2013
	£'000	£'000
Authorised		
50,000 (2013: 50,000) ordinary shares of £1 each	**50**	50
Issued and fully paid		
2,000 (2013: 2,000) ordinary shares of £1 each	**2**	2

Notes to the financial statements
for the year ended 31 December 2014 (continued)

13 Commitments

At the balance sheet date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings, which fall due as follows:

	2014	2013
	£'000	£'000
Within one year	**536**	605
In the second to fifth years inclusive	**2,043**	2,421
In over five years	**5,992**	7,717
	8,571	10,743

An onerous lease provision has been recognised in respect of these operating lease commitments (note 11).

14 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £4,000 (2013: £5,000).

As at 31 December 2014, there were outstanding contributions of £nil (2013: £1,000).

Notes to the financial statements for the year ended 31 December 2014 (continued)

15 Ultimate parent company and controlling party

The company's immediate parent company, which is incorporated in England, is Speciality Care (Medicare) Limited.

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 2014. Priory Group No. 3 PLC is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2014. 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.