

Speciality Care (Learning Disabilities) Limited  
Annual report and financial statements  
for the year ended 31 December 2012

Registered number: 2953416



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for the year ended 31 December 2012  
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# **Speciality Care (Learning Disabilities) Limited**

## **Directors' report for the year ended 31 December 2012**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2012

### **Principal activities and review of business**

The principal activity of the company in the prior year was care delivery. The company has not traded in the current year.

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 8. Further information regarding the operations and key performance indicators of the group are set out in the directors' report of Priory Group No 1 Limited.

### **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.

# **Speciality Care (Learning Disabilities) Limited**

## **Directors' report for the year ended 31 December 2012 (continued)**

### **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 (2011 £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:

Philip Scott	(resigned 28 November 2012)
Jason Lock	
Matthew Franzidis	
Christopher Thompson	(resigned 20 June 2013)
Tom Riall	(appointed 5 April 2013)

### **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.

# **Speciality Care (Learning Disabilities) Limited**

## **Directors' report for the year ended 31 December 2012 (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 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, and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in 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.

By order of the board



David Hall  
Company Secretary  
4 September 2013

80 Hammersmith Road  
London  
England  
W14 8UD

# **Speciality Care (Learning Disabilities) Limited**

## **Independent auditors' report to the members of Speciality Care (Learning Disabilities) Limited**

We have audited the financial statements of Speciality Care (Learning Disabilities) Limited for the year ended 31 December 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the note of historical cost profits and losses, the balance sheet, the statement of accounting policies and the related notes. 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).

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

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 International Standards on Auditing (UK and 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.

### **Scope of the audit of the financial statements**

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

# **Speciality Care (Learning Disabilities) Limited**

## **Independent auditors' report to the members of Speciality Care (Learning Disabilities) Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Richard Bunter (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne  
4 September 2013

## Speciality Care (Learning Disabilities) Limited

### Profit and loss account for the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Turnover	1	-	865
Administrative expenses		-	(847)
Operating profit		-	18
Profit on ordinary activities before taxation	2	-	18
Tax on profit on ordinary activities	5	7	53
Profit for the financial year	9	7	71

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



## **Speciality Care (Learning Disabilities) Limited**

### **Statement of total recognised gains and losses -- for the year ended 31 December 2012**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the financial year	7	71
Gain on revaluation	-	106
<b>Total recognised gains for the financial year</b>	<b>7</b>	<b>177</b>

### **Note of historical cost profits and losses for the year ended 31 December 2012**


	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Reported profit on ordinary activities before taxation	-	18
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	-	12
<b>Historical cost profit for the year before taxation</b>	<b>-</b>	<b>30</b>
<b>Historical cost profit for the financial year</b>	<b>7</b>	<b>83</b>

# Speciality Care (Learning Disabilities) Limited

## Balance sheet as at 31 December 2012

	Note	2012 £'000	2011 £'000
<b>Current assets</b>			
Debtors	6	1,190	1,183
<b>Net current assets</b>		<b>1,190</b>	<b>1,183</b>
<b>Total assets less current liabilities</b>		<b>1,190</b>	<b>1,183</b>
<b>Creditors: amounts falling due after more than one year</b>	7	<b>(1,200)</b>	<b>(1,200)</b>
<b>Net liabilities</b>		<b>(10)</b>	<b>(17)</b>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account	9	(10)	(17)
<b>Total shareholders' deficit</b>	10	<b>(10)</b>	<b>(17)</b>

The financial statements on pages 6 to 14 were approved by the board of directors on 4 September 2013 and were signed on its behalf by



Jason Lock  
Director

Registered number 2953416

# **Speciality Care (Learning Disabilities) Limited**

## **Statement of accounting policies**

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

### **Basis of preparation**

The financial statements have been prepared in accordance with applicable UK accounting standards, the Companies Act 2006 and under the historical cost convention, as modified by the revaluation of certain tangible assets

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 publicly available 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.

### **Deferred taxation**

The charge for taxation is based on the profit for the period and takes into account taxation deferred.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured in a non-discounted basis.

### **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 the amounts (excluding value added tax) derived from the provision of services to customers. Revenue is recognised as the services are provided. Revenue invoiced in advance is included in deferred income until service is provided. Revenue in respect of services provided but not yet invoiced by the period end is included within accrued income.

# Speciality Care (Learning Disabilities) Limited

## Notes to the financial statements for the year ended 31 December 2012

### 1 Turnover

The company has not traded in the current year

In the prior year, the company's turnover, profit on ordinary activities before taxation and net liabilities arose primarily from its principal activity of care delivery, in the prior year

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

### 2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2012	2011
	£'000	£'000
Depreciation of tangible assets		
Owned	-	33
Leased	-	1
Management charges from fellow subsidiary	-	808

The prior year management charges from fellow subsidiary undertakings, Craegmoor Facilities Company Limited and Craegmoor Healthcare Company Limited, relate to an allocation of operating costs incurred on behalf of the company and its fellow subsidiaries

The remuneration of the auditors of £500 (2011 £1,000) was borne by another group undertaking

### 3 Remuneration of directors

The costs relating to the directors' services have been borne by Craegmoor Facilities Company Limited, up to 14 April 2011, and by Priory Central Services Limited since the acquisition of the Craegmoor Group by the Priory Group on 14 April 2011. 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

# Speciality Care (Learning Disabilities) Limited

## Notes to the financial statements for the year ended 31 December 2012 (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

	2012	2011
	Number	Number
Analysis by activity		
Nursing	-	52
Ancillary	-	4
Administrative	-	1
	-	57

The aggregate payroll costs of these persons were as follows

	2012	2011
	£'000	£'000
Management charges in lieu of staff costs	-	544

### 5 Tax on profit on ordinary activities

	2012	2011
	£'000	£'000
UK Corporation tax		
Current tax charge arising in the year	-	(19)
Adjustment in respect of prior periods	(7)	-
<b>Total current tax credit</b>	<b>(7)</b>	<b>(19)</b>
Deferred tax		
Origination and reversal of timing differences	-	(27)
Effect of rate change on opening balance	-	(2)
Adjustment in respect of prior periods	-	(5)
<b>Total deferred tax credit</b>	<b>-</b>	<b>(34)</b>
<b>Total tax credit</b>	<b>(7)</b>	<b>(53)</b>

# Speciality Care (Learning Disabilities) Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 5 Tax on profit on ordinary activities (continued)

The current tax credit of £7,000 (2011 £19,000) on the profit for the year 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 24.49% (2011 26.49%). The actual tax charge for the year is lower (2011 lower) than the standard rate for the reasons set out in the following reconciliation

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation	-	18
Tax on profit on ordinary activities at standard rate	-	5
Factors affecting charge for the year		
Expenses not deductible for tax purposes	-	(23)
Capital allowances for the year less than depreciation	-	29
Adjustment in respect of prior periods	(7)	-
Other difference	-	(32)
Group relief received not paid for	-	2
<b>Total current tax credit for the year</b>	<b>(7)</b>	<b>(19)</b>

The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012. A further reduction in this corporation tax rate effective on 1 April 2013 from 24% to 23% was substantively enacted for the purposes of FRS 16 on 3 July 2012. Accordingly, the company's profit for this accounting period is taxed at an effective rate of 24.49% and deferred taxation has been calculated based on a rate of 23%.

In the budget speech on 20 March 2013, further rates changes to 21% from April 2014 and 20% from April 2015 were announced. These rate reductions have not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The overall effect of the further change from 23% to 20%, if these applied to the deferred tax balance at the balance sheet date, would be immaterial.

# Speciality Care (Learning Disabilities) Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 6 Debtors

	2012	2011
	£'000	£'000
Amounts owed by group undertakings	1,183	1,164
Group relief recoverable	7	19
	1,190	1,183

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

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

	2012	2011
	£'000	£'000
Amounts owed to group undertakings	1,200	1,200

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

### 8 Called up share capital

	2012	2011
	£	£
<b>Authorised</b>		
1,000 (2011: 1,000) ordinary shares of £1 each	1,000	1,000
<b>Issued and fully paid</b>		
2 (2011: 2) ordinary shares of £1 each	2	2

# Speciality Care (Learning Disabilities) Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 9 Profit and loss account

	£'000
At 1 January 2012	(17)
Profit for the financial year	7
At 31 December 2012	(10)

### 10 Reconciliation of movements in shareholders' deficit

	2012	2011
	£'000	£'000
Profit for the financial year	7	71
Gain on revaluation	-	106
Net deduction to shareholders' deficit	7	177
Opening shareholders' deficit	(17)	(194)
Closing shareholders' deficit	(10)	(17)

### 11 Ultimate parent company and controlling party

The company's immediate parent company, which is incorporated in England, is Craegmoor Holdings 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 2012. Priory Group No 3 PLC is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2012. 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.