

**Priory Secure Services Limited (formerly  
Blenheim Healthcare Limited)**

Directors' report and financial statements

Year ended 31 December 2006

Registered number 3136041



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

On 22 March 2007, the company changed its name from Blenheim Healthcare Limited to Priory Secure Services Limited

### Principal activities

The principal activity of the company is the development and management of long-term medium secure units for individuals with chronic behavioural problems

### Business review

The results for the year are set out in the profit and loss account on page 5

### Dividends

Dividends of £nil were paid during the year (2005 £21.36 million)

### Directors and directors' interests

The directors who held office during the year were as follows

PJ Greensmith	(resigned 22 March 2007)
Dr CB Patel	(resigned 9 March 2007)
D Spruzen	(appointed 27 July 2006, resigned 24 April 2007)

On 3 April 2007, S Bradshaw was appointed as a director of the company. On 16 April 2007, Professor C Thompson was appointed as a director of the company. On 2 May 2007, S Mukerji 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 in the shares of Priory Investments Holdings Limited (the ultimate parent company) are disclosed in the financial statements of that company.

The interests of PJ Greensmith and D Spruzen in the shares of Priory Investments Holdings Limited are set out below

	Interest at end of year				Interest at beginning of year or date of appointment if later			
	A Ordinary shares	B Ordinary shares	Non Voting B Ordinary shares	Preference shares	A Ordinary shares	B Ordinary shares	Non Voting B Ordinary shares	Preference shares
PJ Greensmith	-	200,000	300,000	1,553,153	-	200,000	300,000	1,500,000
D Spruzen *	-	100,000	100,000	53,153	-	100,000	100,000	53,153

\* B Ordinary shares and Non Voting B Ordinary shares held indirectly

## Directors' report *(continued)*

### Employees

The directors recognise that the continued position of the company in the health care industry 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

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

### Auditors

In accordance with Section 386 of the Companies Act 1985 (as amended), the Company has elected to dispense with the obligation to appoint auditors annually. Accordingly, PricewaterhouseCoopers LLP will continue in office as auditors

### Provision of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the board



Professor C Thompson  
Director

Prory House  
Randalls Way  
Leatherhead  
Surrey  
KT22 7TP

17 May 2007

## 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 Priory Secure Services Limited (formerly Blenheim Healthcare Limited)**

We have audited the financial statements of Priory Secure Services Limited (formerly Blenheim Healthcare Limited) for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the note of historical cost profits and losses, the reconciliation of movement in shareholders' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



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

17 May 2007

**Profit and loss account**  
**for the year ended 31 December 2006**

	Note	2006 £000	2004 £000
<b>Turnover</b>	2	<b>43,539</b>	45,165
Cost of sales		(36,334)	(32,266)
<b>Gross profit</b>		<b>7,205</b>	12,899
Administrative expenses (including operating exceptional costs of £140,000 2005 – £nil)		(4,672)	(4,763)
<b>Operating profit</b>		<b>2,533</b>	8,136
Profit on disposal of fixed assets		16	3,213
<b>Profit on ordinary activities before interest and taxation</b>		<b>2,549</b>	11,349
Net interest payable and similar charges	6	(3,485)	(4,935)
<b>(Loss)/profit on ordinary activities before taxation</b>	2,3	<b>(936)</b>	6,414
Tax on (loss)/profit on ordinary activities	7	(1,314)	(1,613)
<b>(Loss)/profit for the financial year</b>		<b>(2,250)</b>	4,801
Dividends		-	(21,360)
<b>Amounts transferred to reserves</b>		<b>(2,250)</b>	(16,559)

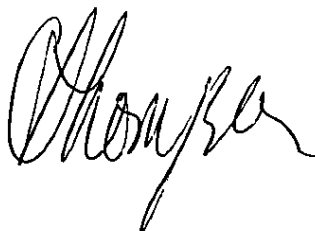
The results for both the current and prior year derive from continuing activities

**Balance sheet**  
**at 31 December 2006**

	Note	2006 £000	2005 £000
<b>Fixed assets</b>			
Tangible assets	8	126,891	126,468
<b>Current assets</b>			
Stocks	9	-	16
Debtors	10	136,348	133,087
Cash at bank and in hand		699	3,142
		<b>137,047</b>	<b>136,245</b>
<b>Creditors</b> , amounts falling due within one year	11	(21,177)	(20,005)
<b>Net current assets</b>			
Due within one year		15,568	116,240
Debtors due after more than one year		100,302	-
		<b>115,870</b>	<b>116,240</b>
<b>Total assets less current liabilities</b>		<b>242,761</b>	<b>242,708</b>
<b>Creditors</b> : amounts falling due after more than one year	12	(133,555)	(131,252)
<b>Provision for liabilities and charges</b>	13	-	-
<b>Net assets</b>		<b>109,206</b>	<b>111,456</b>
<b>Capital and reserves</b>			
Called up share capital	14	11,901	11,901
Revaluation reserve	15	102,628	102,628
Profit and loss account	15	(5,323)	(3,073)
<b>Shareholders' funds – equity</b>		<b>109,206</b>	<b>111,456</b>

These financial statements were approved by the board of directors on 17 May 2007 and were signed on its behalf by

Professor C Thompson  
 Director





**Statement of total recognised gains and losses**  
*for the year to 31 December 2006*

	2006 £000	2005 £000
(Loss)/profit for the financial year	(2,250)	4,801
Unrealised surplus on revaluation of properties	-	57,781
<b>Total recognised gains for the year</b>	<b>(2,250)</b>	<b>62,582</b>

**Note of historical cost profits and losses**  
*for the year to 31 December 2006*

	2006 £000	2005 £000
<b>Reported profit on ordinary activities before taxation</b>	<b>(936)</b>	<b>6,414</b>
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the re-valued amount	4,145	1,281
<b>Historical cost profit on ordinary activities before taxation</b>	<b>3,209</b>	<b>7,695</b>
<b>Historical cost profit/(loss) for the year retained after taxation and dividends</b>	<b>1,895</b>	<b>(15,278)</b>

**Reconciliation of movements in shareholders' funds**  
*for the year to 31 December 2006*

	2006 £000	2005 £000
<b>Profit for the financial year</b>	<b>(2,250)</b>	<b>4,801</b>
Dividends	-	(21,360)
	<b>(2,250)</b>	<b>(16,559)</b>
Revaluation surplus	-	57,781
<b>Net addition to shareholders' funds</b>	<b>(2,250)</b>	<b>41,222</b>
Opening shareholders' funds	111,456	70,234
<b>Closing shareholders' funds</b>	<b>109,206</b>	<b>111,456</b>

## 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 accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain land and buildings

Under FRS 1 (revised) 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

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

#### ***Tangible fixed assets and depreciation***

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment

Assets in course of construction represent the direct costs of purchasing, constructing and installing tangible fixed assets ahead of their productive use. No depreciation is provided on an asset that is in the course of construction until it is completed and transferred to an asset heading that is appropriate

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Freehold buildings and long leasehold properties	-	50 years
Short leasehold properties	-	over the period of the lease
Plant, fixtures and fittings	-	3 to 16 years
Motor vehicles	-	over the shorter of the lease and 4 years

Land is not depreciated on the basis that land has an unlimited life. Where the valuation of land and buildings cannot be split, the Directors have estimated that the value attributable to land is 22% of the valuation of the land and buildings

#### ***Revaluation of properties***

The company has adopted a policy of revaluation of its properties, as permitted by Financial Reporting Standard 15 - Tangible Fixed Assets. The assets are valued by independent Chartered Surveyors each year at the balance sheet date, on a rolling basis designed to ensure that all Group properties are specifically valued at least every five years. Any surplus or deficit on book value is transferred to the revaluation reserve, except that a deficit, which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account

#### ***Leases***

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease

## Notes (continued)

### 1 Accounting policies (continued)

#### **Post-retirement benefits**

The company operates 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 against profits represents the contributions payable to the scheme in respect of the accounting period.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value.

#### **Group relief**

Payment is generally made for group relief at a rate of 30% 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 change.

#### **Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred. Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### **Turnover and revenue recognition**

Turnover represents the amounts (excluding value added tax) derived from the provision of services. Revenue is recognised as the services are provided.

### 2 Analysis of turnover and profit on ordinary activities before taxation

The company's turnover, profit before taxation and net assets arise primarily from its principal activity of charging patients and residents through the management of the company's long term medium secure units in the United Kingdom.

### 3 Profit on ordinary activities before taxation

	2006 £000	2005 £000
<b>Profit on ordinary activities before taxation is stated</b>		
<i>after charging</i>		
Auditors' remuneration (inclusive of VAT)		
Audit	22	20
Depreciation and other amounts written off tangible fixed assets		
Owned	565	1,853
Leased	4,779	705
Rentals under operating leases		
Hire of plant and machinery	-	43
Other operating leases	1,195	436
Operating exceptional items		
Re-organisation and rationalisation	140	-
<i>after crediting</i>		
Profit on disposal of fixed assets	16	3,213
	<hr/>	<hr/>

## Notes (continued)

### 4 Remuneration of directors

The directors received no emoluments for services to the company during the year (2005 £nil)

### 5 Staff numbers and costs

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

	Number of employees	
	2006	2005
Nursing and other clinical staff	685	625
Administrative staff	116	107
	<u>801</u>	<u>733</u>

The aggregate payroll costs of these persons were as follows

	2006	2005
	£000	£000
Wages and salaries	19,593	17,794
Social security costs	2,041	1,862
Other pension costs	284	216
	<u>21,918</u>	<u>19,872</u>

### 6 Net interest payable and similar charges

	2006	2005
	£000	£000
<i>Interest payable and similar charges</i>		
On bank loans and overdrafts	-	314
Inter-company interest payable	1,974	2,575
Amortisation of issue costs	-	423
Swap novation costs	-	1,962
Debt termination costs	-	744
Finance charges payable in respect of finance leases	7	6
Finance charges payable in respect of finance leases with group undertaking	8,669	1,062
	<u>10,650</u>	<u>7,086</u>
<i>Interest receivable and similar income</i>		
Inter-company interest receivable	(7,165)	(1,041)
Reverse premium on novation of swap	-	(1,110)
	<u>3,485</u>	<u>4,935</u>

## Notes (continued)

### 7 Taxation

	2006 £000	2005 £000
<b>Corporation tax</b>		
Current tax on income for the year	1,313	1,720
Adjustment relating to prior years	1	(14)
	<hr/>	<hr/>
	1,314	1,706
Deferred tax (see note 13)	-	(93)
	<hr/>	<hr/>
	1,314	1,613
	<hr/>	<hr/>

The tax charge of £1,313,000 (2005 £1,720,000) on profits 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 30% (2005 30%)  
 The actual tax charge for the year is below the standard rate for the reasons set out in the following reconciliation

	2006 £000	2005 £000
(Loss)/profit on ordinary activities before tax	(936)	6,414
	<hr/>	<hr/>
Tax on profit on ordinary activities at standard rate	(281)	1,924
<i>Factors affecting charge for the year</i>		
Capital allowances for year in excess of depreciation	220	222
Other timing differences	(11)	(9)
Depreciation of non-qualifying assets	1,383	542
Profit/loss on non-qualifying assets	-	(963)
Expenses not deductible for tax purposes	2	4
Adjustment to tax charge in respect of prior years	1	(14)
	<hr/>	<hr/>
Total actual amount of current tax	1,314	1,706
	<hr/>	<hr/>

## Notes (continued)

### 8 Tangible fixed assets

	Freehold land and buildings £000	Asset in course of construction £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>					
At beginning of the year	122,867	-	7,306	131	130,304
Additions	-	5,379	308	80	5,767
Disposals	-	-	-	(32)	(32)
Transfers	155	(668)	513	-	-
At end of the year	123,022	4,711	8,127	179	136,039
<b>Depreciation</b>					
At beginning of the year	646	-	3,124	66	3,836
Charge for the year	4,535	-	770	39	5,344
On disposals	-	-	-	(32)	(32)
At end of the year	5,181	-	3,894	73	9,148
<b>Net book value</b>					
At 31 December 2006	117,841	4,711	4,233	106	126,891
At 31 December 2005	122,221	-	4,182	65	126,468

Included in the total net book value of land and buildings is £117,687,000 (2005 £122,221,000) in respect of assets held under finance leases. Depreciation for the year on these assets was £4,534,000 (2005 £646,000).

Included in the total net book value of fixtures and fittings is £1,823,000 (2005 £2,029,000) in respect of assets held under finance leases. Depreciation for the year on these assets was £206,000 (2005 £29,000).

Included in the total net book value of motor vehicles is £106,000 (2005 £65,000) in respect of assets held under finance leases. Depreciation for the year on these assets was £39,000 (2005 £30,000).

#### Analysis of land and buildings at cost or valuation

	2006 £000	2005 £000
At cost	154	-
At valuation	117,687	122,221
	<b>117,841</b>	<b>122,221</b>

## Notes (continued)

### 8 Tangible fixed assets (continued)

The Company's land and buildings were re-valued as at 15 October 2005, on the basis of existing use value by independent qualified valuers. The valuations were undertaken in accordance with the Practice Statements set out in the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards – 5<sup>th</sup> Edition, as amended, by Christie & Co, a firm of independent Chartered Surveyors.

The valuation of the properties retained by the company have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve. The revaluations during the year ended 31 December 2005 resulted in a revaluation surplus of £57,781,000 (note 15).

#### Freehold and long leasehold land and buildings

	2006 £000	2005 £000
Freehold	154	-
Long leasehold	117,687	122,221
	<u>117,841</u>	<u>122,221</u>

The historical net book value of land and buildings is given below

	2006 £000	2005 £000
Historical cost of land and buildings	25,017	24,862
Aggregate depreciation thereon	(2,593)	(2,203)
	<u>22,424</u>	<u>22,659</u>

No deferred tax is provided on timing differences arising from the revaluation of fixed assets unless, by the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that any gain will be rolled over.

### 9 Stocks

	2006 £000	2005 £000
Consumable supplies	-	16

## Notes (continued)

### 10 Debtors

	2006 £000	2005 £000
<i>Amounts falling due within one year</i>		
Trade debtors	4,745	5,260
Amounts owed by group undertakings	31,205	127,742
Other debtors	-	2
Prepayments and accrued income	96	83
	<hr/>	<hr/>
	36,046	133,087
<i>Amounts falling due within one year</i>		
Amounts owed by group undertakings	100,302	-
	<hr/>	<hr/>
	136,348	133,087
	<hr/>	<hr/>

### 11 Creditors: amounts falling due within one year

	2006 £000	2005 £000
Obligations under finance leases (see note 12)	33	23
Obligation under finance lease contracts with group undertaking (see note 12)	8,576	9,197
Trade creditors	460	743
Amounts owed to group undertakings	8,549	5,834
Group relief payable	1,313	1,720
Other taxes and social security	585	594
Other creditors	643	417
Accruals and deferred income	1,018	1,477
	<hr/>	<hr/>
	21,177	20,005
	<hr/>	<hr/>



## Notes (continued)

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

	2006 £000	2005 £000
Obligations under finance leases	75	56
Obligation under finance lease contracts with group undertaking	116,883	116,790
Amounts due to group undertakings	16,597	14,406
	<u>133,555</u>	<u>131,252</u>

#### Obligations under finance leases are payable as follows

	2006 £000	2005 £000
Within one year or less	33	23
Within one to two years	32	22
Within two to five years	43	34
	<u>108</u>	<u>79</u>

#### Obligations under finance leases with group undertaking are payable as follows

	2006 £000	2005 £000
Within one year or less	8,576	9,197
Within one to two years	8,791	8,576
Within two to five years	27,712	27,036
After five years	80,380	81,178
	<u>125,459</u>	<u>125,987</u>

## Notes (continued)

### 13 Provisions for liabilities and charges

	£000
<i>Deferred tax</i>	
At beginning and end of the year	-

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. At 31 December 2006, the total amount un-provided for was £28.5 million (31 December 2005 £30.2 million). At present it is not envisaged that any such tax will become payable in the foreseeable future.

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

### 14 Called up share capital

	2006 £	2005 £
<b>Authorised</b>		
1,500,000,000 (2005 1,500,000) "A" Ordinary shares of 1 pence each	15,000,000	15,000,000
15,000 (2005 15,000) "B" shares of 1 pence each	150	150
	<hr/> 15,000,150	<hr/> 15,000,150
<b>Allotted, called up and fully paid</b>		
1,190,085,000 (2005 1,190,085) "A" Ordinary shares of 1 pence each	11,900,850	11,900,850
15,000 (2005 15,000) "B" shares of 1 pence each	150	150
	<hr/> 11,901,000	<hr/> 11,901,000

The "A" Ordinary shares have no right to dividends other than those recommended by the directors, have no redemption rights and have an unlimited right to share in the surplus remaining on a winding up after all liabilities have been satisfied. The "A" and "B" Ordinary shares have one vote per share, except with regard to the appointment and removal of directors. A majority of "A" shareholders may appoint up to six directors and remove any such directors and appoint other directors in their place. Each "B" shareholder may appoint one director and remove any such director and appoint another director in their place.

Within the meaning of FRS4 'Capital Instruments' the "A" and "B" Ordinary shares are classified as "equity" shares.

## Notes (continued)

### 15 Reserves

	Revaluation reserve	Profit and loss account
	£000	£000
At beginning of the year	102,628	(3,073)
Retained loss for the year	-	(2,250)
<b>At end of the year</b>	<b>102,628</b>	<b>(5,323)</b>

### 16 Commitments

- a) Capital commitments at the end of the financial year, for which no provision has been made, are as follows

	2006 £000	2005 £000
Contracted	8,034	-

- b) Annual commitments under non-cancellable operating leases are as follows

	Land and buildings £000	2006 Other £000	Land and buildings £000	2005 Other £000
Operating leases which expire				
Within one year	53	14	43	-
In the second to fifth years inclusive	44	2	44	-
Over five years	1,083	-	1,103	-
	<b>1,180</b>	<b>16</b>	<b>1,190</b>	<b>-</b>

## Notes (continued)

### 17 Contingent liabilities

The company has entered into banking facilities set-off agreements in respect of which guarantees have been given. The aggregate amount outstanding under the agreements was £nil at 31 December 2006 (2005 £nil)

### 18 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 £284,000 (2005 £216,000)

As at 31 December 2006, there were outstanding contributions of £23,000 (31 December 2005 £34,000)

### 19 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 Investments Holdings Limited. No other group accounts include the results of the company