

# **Priory Specialist Health Division Limited**

Directors' report and financial statements

Year ended 31 December 2005

Registered number 3893502



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## Directors' report

The directors present their report and the financial statements for the year ended 31 December 2005.

### Principal activities and business review

The company is a holding company. The company did not trade during the year.

### Proposed dividend

The directors do not recommend the payment of a dividend (2004: *£nil*).

### Directors and directors' interests

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

Dr CB Patel  
 PJ Greensmith

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 in the shares of Priory Investments Holdings Limited are set out below:

	Interest at end of year				Interest at beginning of year			
	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	1,500,000	-	-	-	-

### Auditors

In accordance with section 250 of the Companies Act 1985 the company, being eligible, has resolved not to appoint an auditor.

By order of the board



D Spruzen  
 Company secretary

Priory House  
 Randalls Way  
 Leatherhead  
 Surrey  
 KT22 7TP

24 May 2006

## 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 period. 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.

**Profit and loss account**  
*for the year ended 31 December 2005*

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 2005*

	Note	2005 £000	2004 £000
<b>Fixed assets</b>			
Investments	2	48,400	48,400
<b>Creditors: amounts falling due within one year</b>	3	(45,019)	(45,019)
<b>Net current liabilities</b>		(45,019)	(45,019)
<b>Net assets</b>		3,381	3,381
<b>Capital and reserves</b>			
Called up share capital	4	-	-
Profit and loss account		3,381	3,381
<b>Shareholders' funds – equity</b>		3,381	3,381

The company has remained dormant throughout the year.

For the year ended 31 December 2005, the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibilities for:

- i) ensuring that the company keeps accounting records which comply with section 221; and
- ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the board of directors on 24 May 2006 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.

The company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

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

#### ***Fixed assets***

Fixed asset investments are stated at cost less provision for any impairment in value.

### 2 Fixed asset investments

	<b>Total £000</b>
<b><i>Shares in group undertakings</i></b>	
<b><i>Cost</i></b>	
At the beginning and end of the year	52,500
<b><i>Provisions</i></b>	
At beginning and end of the year	4,100
<b><i>Net book value</i></b>	
At 31 December 2005	<b>48,400</b>
At 31 December 2004	48,400

The undertakings in which the company's interest at the year end is more than 20% are as follows:

	<b>Principal activities</b>	<b>Class and percentage of share held</b>
<b><i>Subsidiary undertakings</i></b>		
Priory Specialist Health Limited	Procurement company	100% ordinary

## Notes (continued)

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

	2005 £000	2004 £000
Amounts owed to group undertakings	45,019	45,019

### 4 Called up share capital

	2005 £	2004 £
<i>Authorised</i> 750,000 (2004: 750,000) ordinary shares of £1 each	750,000	750,000
<i>Allotted, called up and fully paid</i> 1 (2004: 1) ordinary shares of £1 each	1	1

### 5 Ultimate parent company

The company is a subsidiary undertaking of Priory Healthcare Holdings 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.