

**Priory Securitisation Limited** (formerly  
**Westminster Priory Securitisation Limited**)

Directors' report and financial statements

Year ended 31 December 2001

Registered number 3982134



## Contents

Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report to the members of Priory Securitisation Limited (formerly Westminster Priory Securitisation Limited)	3
Profit and loss account	4
Balance sheet	4
Notes	5

## Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2001. The comparative period is from 27 April 2000 to 31 December 2000. On 2 April 2002, the company changed its name to Priory Securitisation Limited.

### Principal activity

The company is a holding company for Westminster Priory Healthcare Finance Limited (a company incorporated in the Cayman Islands).

### Business review

The company did not trade during the year.

### Proposed dividend

The directors do not recommend the payment of a dividend (*period from 27 April 2000 to 31 December 2000: £nil*).

### Directors and directors' interests

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

AG Heywood (resigned 30 April 2002)  
Dr CB Patel  
SPV Management Limited  
JD Weight

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 interests in the shares of the company. The interests of the directors in the share capital of Priory Healthcare Holdings Limited (formerly Westminster Health Care Holdings Limited), the ultimate parent company, were as follows:

	Interest at end of the period		Interest at start of period	
	A shares	B shares	A shares	B shares
Dr CB Patel	909,278	9	909,278	9
AG Heywood	75,773	1	75,773	1
JD Weight	15,155	-	15,155	-

### Auditors

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

By order of the board



JD Weight  
Secretary

Westminster House  
Randalls Way  
Leatherhead  
Surrey  
KT22 7TZ

10 June 2002

## **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.

## **Independent auditors' report to the members of Priory Securitisation Limited (formerly Westminster Priory Securitisation Limited)**

We have audited the financial statements on pages 4 to 6.

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

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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

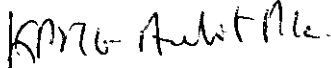
### **Basis of opinion**

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

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

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

8 Salisbury Square  
London  
EC4Y 8BB

10 June 2002

**Profit and loss account**  
*for the year to 31 December 2001*

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

**Balance sheet**  
*at 31 December 2001*

	<i>Note</i>	<b>£</b>	<b>2001 £</b>	<b>£</b>	<b>2000 £</b>
<b>Fixed assets</b>					
Investments	2		1,000		1,000
<b>Current assets</b>					
Debtors	3	1,000		1,000	
<b>Creditors: amounts falling due within one year</b>	4	(1,000)		(1,000)	
<b>Net current assets</b>			-		-
<b>Net assets</b>			1,000		1,000
<b>Capital and reserves</b>					
Called up share capital	5		1,000		1,000
Profit and loss account	6		-		-
<b>Shareholders' funds – equity</b>	6		1,000		1,000

These financial statements were approved by the board of directors on 10 June 2002 and were signed on its behalf by:



**JD Weight**  
 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 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.

Under Financial Reporting Standard 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.

As the company is a wholly owned subsidiary of Priory Healthcare Holdings Limited (formerly Westminster Health Care 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

	Total £
<i>Shares in group undertakings</i>	
<i>Cost</i>	
At the beginning and end of the year	1,000
	<hr/>
<i>Provisions</i>	
At beginning and end of the year	-
	<hr/>
<i>Net book value</i>	
At 31 December 2001	1,000
	<hr/>
At 31 December 2000	1,000
	<hr/>

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

	Principal activities	Class and percentage of share held
<i>Subsidiary undertakings</i>		
Priory Healthcare Finance Limited	Financing	100% ordinary

Priory Healthcare Finance Limited is registered in the Cayman Islands.

## Notes (continued)

### 3 Debtors

	2001 £	2000 £
Amounts owed by group undertakings	1,000	1,000

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

	2001 £	2000 £
Amounts owed to group undertakings	1,000	1,000

### 5 Called up share capital

	2001 £	2000 £
<i>Authorised</i> 200,000,000(2000: 200,000,000) ordinary shares of £1 each	200,000,000	200,000,000
<i>Allotted, called up and fully paid</i> 1,000 (2000: 1,000) ordinary shares of £1 each	1,000	1,000

### 6 Reconciliation of movement in shareholders' funds

	Share capital £	Profit and loss account £	Total Year to 31 Dec 2001 £	Total Period from 27 April 2000 to 31 Dec 2000 £
At beginning of the year	1,000	-	1,000	-
Issue of shares	-	-	-	1,000
At end of the year	1,000	-	-	1,000

### 7 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of, and is controlled by, Priory Healthcare Holdings Limited (formerly Westminster Health Care Holdings Limited) which is incorporated in England.

The largest group in which the results of the company are consolidated is that headed by Priory Healthcare Holdings Limited (formerly Westminster Health Care Holdings Limited). No other group accounts include the results of the company.