

# **Priory Finance Property Holdings No. 2 Limited**

Directors' report and financial statements

Year ended 31 December 2009

Registered number 5590103

WEDNESDAY



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## Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2009

### Principal activities

The company holds an interest in Priory Finance Property LLP

### Business review

The company did not trade during the year

The results for the year are set out in the Profit and loss account on page 5 and the position of the company as at the year end is set out in the Balance sheet on page 6

The directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance and position of the business

The company is not exposed to any risks beyond those exposed to the Group as a whole and these risks are not managed separately. Accordingly, the financial risk management policies of Priory Investments Holdings 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 Investments Holdings Limited, which include those of the company, are discussed in the Group's annual report which does not form part of this report

### Dividends

The directors do not recommend the payment of a dividend (2008 *£nil*)

### Directors

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

LDC Corporate Director No 3 Limited  
S Bradshaw (resigned 14 July 2009)  
Professor C Thompson  
J Lock

In accordance with the articles of association, no directors retire by rotation

### Independent auditors

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

## Directors' report *(continued)*

### 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 a 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



**D Hall**  
*Company Secretary*

Priory House  
Randalls Way  
Leatherhead  
Surrey  
KT22 7TP

28 May 2010

## 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 elected to prepare 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,
- state whether applicable UK 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 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**  
*Company Secretary*

28 May 2010

## **Independent auditors' report to the members of Priory Finance Property Holdings No. 2 Limited**

We have audited the financial statements of Priory Finance Property Holdings No. 2 Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet 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 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.

### **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 2009 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.

### **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*  
*Manchester*

28 May 2010

**Profit and loss account**  
*for the year ended 31 December 2009*

	<i>Note</i>	<b>2009</b> <b>£</b>	<b>2008</b> <b>£</b>
Interest receivable and similar income	4	3	38
<b>Profit on ordinary activities before taxation</b>	2	<b>3</b>	<b>38</b>
Tax on profit on ordinary activities	5	(1)	(11)
<b>Profit for the financial year</b>	9	<b>2</b>	<b>27</b>

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

The company had no other recognised gains or losses for the year other than the profit above, therefore no statement of total recognised gains and losses is presented

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

**Balance sheet**  
**at 31 December 2009**

	Note	£	2009 £	£	2008 £
<b>Fixed assets</b>					
Investments	6		100		100
<b>Current assets</b>					
Cash at bank and in hand		1,016		1,013	
<b>Creditors' amounts falling due within one year</b>	7	(35)		(34)	
<b>Net current assets</b>			981		979
<b>Total assets less current liabilities</b>			1,081		1,079
<b>Net assets</b>			1,081		1,079
<b>Capital and reserves</b>					
Called up share capital	8		1,000		1,000
Profit and loss account	9		81		79
<b>Total shareholders' funds</b>	10		1,081		1,079

The financial statements on pages 5 to 10 were approved by the board of directors on 28 May 2010 and were signed on its behalf by



**J Lock**  
 Director



## Notes to the financial statements

### 1 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 and UK company law, under the historical cost accounting rules and on the going concern basis

Under Financial Reporting Standard 1 (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 published consolidated financial statements

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

#### **Investments**

Investments are stated at cost less provision for any impairment in value

#### **Taxation**

The charge for taxation is based on the profit for the period 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 Financial Reporting Standard 19

### 2 Profit on ordinary activities before taxation

The remuneration of the auditors in the current and priory year was borne by another group undertaking

The company had no employees during the year (2008 nil)

### 3 Directors' remuneration

The directors received no emoluments for services to the company during the year (2008 nil)

### 4 Interest receivable and similar income

	2009	2008
	£	£
On bank deposits	3	38

## Notes to the financial statements *(continued)*

### 5 Taxation

	2009 £	2008 £
Corporation tax on profit for the year	1	11

The tax charge of £1 (2008 £11) 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 28% (2008 28.5%)  
 The actual tax charge for the year and the prior year is at the standard rate of corporation tax so no reconciliation is required

### 6 Investments

	Total £
<i>Interest in partnership</i>	
<i>Cost</i>	
At beginning and end of the year	100
<i>Provisions</i>	
At beginning and end of the year	-
<i>Net book value</i>	
At 31 December 2009 and 31 December 2008	100

As at 31 December 2009, the company had a 0.001% economic interest in the partnership capital of Priory Finance Property LLP. The principal activity of the partnership is to raise finance and to lease properties to fellow group undertakings.

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

	2009 £	2008 £
Group relief payable	35	34

## Notes to the financial statements *(continued)*

### 8 Called up share capital

	2009 £	2008 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

### 9 Profit and loss account

	£
At beginning of the year	79
Profit for the financial year	2
	<hr/>
<b>At end of the year</b>	<b>81</b>
	<hr/>

### 10 Reconciliation of movement in shareholders' funds

	2009 £	2008 £
Profit for the financial year	2	27
	<hr/>	<hr/>
<b>Net addition to shareholders' funds</b>	<b>2</b>	<b>27</b>
Opening shareholders' funds	1,079	1,052
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>1,081</b>	<b>1,079</b>
	<hr/>	<hr/>

### 11 Ultimate parent company

The company's immediate parent company, which is incorporated in the Cayman Islands, is Priory Health No 2 Limited

The ultimate parent company is Priory Investments Holdings Limited (incorporated in the Cayman Islands), which is the parent undertaking of the smallest and largest group to consolidate these financial statements. A copy of the consolidated financial statements can be obtained from the Company Secretary at Priory House, Randalls Way, Leatherhead, Surrey KT22 7TP

The directors consider that there is no ultimate controlling party of the company