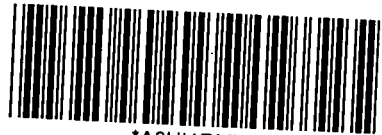


SP Cockermouth Limited
Annual report and financial statements
for the year ended 31 December 2013

Registered number: 6485612

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SP Cockermouth Limited

Annual report and financial statements

for the year ended 31 December 2013

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SP Cockermouth Limited

Strategic report for the year ended 31 December 2013

The directors present their strategic report on SP Cockermouth Limited for the year ended 31 December 2013.

Principal activities

During the current year and prior year the company did not trade.

Business review

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 7.

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.

By order of the board



David Hall

Company Secretary

19 September 2014

SP Cockermouth Limited

Directors' report for the year ended 31 December 2013

The directors present their report and the audited financial statements of the company for the year ended 31 December 2013.

Dividends

The directors do not recommend the payment of a dividend (2012: £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:

J Lock

D Hall

T Riall (appointed 5 April 2013)

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

Future developments

The future developments of the company are discussed in the strategic report.

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.

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.

SP Cockermouth Limited

Directors' report for the year ended 31 December 2013 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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



David Hall
Company Secretary
19 September 2014

80 Hammersmith Road
London
England
W14 8UD

SP Cockermouth Limited

Independent auditors' report to the members of SP Cockermouth Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by SP Cockermouth Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended;
- the statement of accounting policies; and
- the notes to the financial statements, which include other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

SP Cockermouth Limited

Independent auditors' report to the members of SP Cockermouth Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 ISAs (UK & 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.



Tom Yeates (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
19 September 2014

SP Cockermouth Limited

Profit and loss account for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Operating profit		-	-
Interest payable and similar charges	3	(141)	(162)
Loss on ordinary activities before taxation	1	(141)	(162)
Tax on loss on ordinary activities	4	(57)	45
Loss for the financial year	9	(198)	(117)

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 loss above, therefore no statement of total recognised gains and losses is presented.

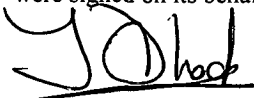
There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

SP Cockermouth Limited

Balance sheet as at 31 December 2013

	Note	2013 £'000	2012 £'000
Current assets			
Debtors	5	3,898	4,039
		3,898	4,039
Creditors: amounts falling due in less than one year	6	(57)	-
Net current assets		3,841	4,039
Total assets less current liabilities		3,841	4,039
Creditors: amounts falling due after more than one year	7	(4,334)	(4,334)
Net liabilities		(493)	(295)
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	(493)	(295)
Total shareholders' deficit	10	(493)	(295)

The financial statements on pages 6 to 13 were approved by the board of directors on 19 September 2014 and were signed on its behalf by:



Jason Lock

Director

Registered number: 6485612

SP Cockermouth 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 accounting rules.

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.

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.

SP Cockermouth Limited

Notes to the financial statements for the year ended 31 December 2013

1 Loss on ordinary activities before taxation

The remuneration of the auditors of £500 (2012: £500) was borne by another group undertaking.

2 Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2012: £nil).

The costs relating to the directors' services have been borne by Priory Central Services Limited, a fellow group company. 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.

3 Interest payable and similar charges

	2013 £'000	2012 £'000
Interest payable to group undertakings	141	162

4 Tax on loss on ordinary activities

	2013 £'000	2012 £'000
UK corporation tax charge/(credit)	57	(45)
Total current tax charge/(credit)	57	(45)

The current tax charge of £57,000 (2012: credit of £45,000) on losses for the year has been surrendered to other group companies in exchange for payment of the same amount.

SP Cockermouth Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

4 Tax on loss on ordinary activities (continued)

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 23.25% (2012: 24.49%). The actual tax charge for the year is higher (2012: credit, higher) than the standard rate for the reasons set out in the following reconciliation:

	2013 £'000	2012 £'000
Loss on ordinary activities before tax	(141)	(162)
Tax on loss on ordinary activities at standard rate	(33)	(40)
Factors affecting charge for the year:		
Transfer pricing adjustment	94	(5)
Utilisation of unrecognised tax losses	(4)	-
Total current tax charge/(credit) for the year	57	(45)

The company has £18,000 (2012:£36,000) of tax losses to carry forward against future taxable income but no deferred tax asset has been recognised on these losses due to the uncertainty surrounding their recovery.

The standard rate of corporation tax in the UK changes from 24% to 23% with effect from 1 April 2013. Accordingly, the company's results for this accounting year are taxed at an effective rate of 23.25% (2012: 24.49%).

In his budget speech on 20 March 2013, the Chancellor announced that the main rate of corporation tax would change from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015. This change was substantively enacted in July 2013, as such the company's deferred tax balances have been restated to reflect their expected unwind at 20% rather than the main rate of 23%.

SP Cockermouth Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

5 Debtors

	2013	2012
	£'000	£'000
Amounts owed by group undertakings	3,898	3,994
Group relief recoverable	-	45
	3,898	4,039

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

6 Creditors: amounts falling due in less than one year

	2013	2012
	£'000	£'000
Group relief payable	57	-

7 Creditors: amounts falling due after more than one year

	2013	2012
	£'000	£'000
Amounts owed to group undertakings	4,334	4,334

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.

SP Cockermouth Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

8 Called up share capital

	2013	2012
	£	£
Authorised		
100 (2012: 100) ordinary shares of £1 each	100	100
Allotted, called-up and fully paid		
1 (2012: 1) ordinary shares of £1 each	1	1

9 Reserves

	Profit and loss account
	£'000
At 1 January 2013	(295)
Loss for the financial year	(198)
At 31 December 2013	(493)

10 Reconciliation of movements in shareholders' deficit

	2013	2012
	£'000	£'000
Opening shareholders' deficit	(295)	(178)
Loss for the financial year	(198)	(117)
Closing shareholders' deficit	(493)	(295)

SP Cockermouth Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

11 Ultimate parent company and controlling party

The company's immediate parent company, which is incorporated in the United Kingdom, is Priory (Cockermouth) 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 2013. Priory Group No. 3 PLC is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2013. 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.