

Harbour Care (UK) Limited
Annual report and financial statements
for the period ended 31 December 2012

Registered number: 07838042



Harbour Care (UK) Limited
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for the period ended 31 December 2012
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Harbour Care (UK) Limited

Directors' report for the period ended 31 December 2012

The directors present their report and the audited financial statements of the company for the period ended 31 December 2012

Principal activities

The principal activity of the company is to provide specialist care for individuals in a residential setting. The company was incorporated on the 7 November 2011.

Business review

The results for the period are set out in the profit and loss account on page 6 and the position of the company at the year end is set out in the balance sheet on page 7.

On 15 February 2012 the company acquired the trade and assets relating to 11 homes in the south of England from Eve Went for a consideration of £15.0m, this is discussed further in note 15. On the same date 75% of the share capital of the company was acquired by Craegmoor (Harbour Care) Limited and 25% by Eve Went.

As the company is focussed on the healthcare sector, the performance of the company can be impacted by external factors. The principal factors are changes in the UK government's policy towards outsourcing of healthcare, changes in the regulatory regime and competitive threats from other independent providers. Management uses a range of financial and non-financial indicators to manage the business. These are derived from all areas of the business and include sales growth by unit, occupancy and achieved profit margins.

During the period £12.8m of loan notes were issued, this is discussed further in note 11.

Further information regarding the operations and key performance indicators of the group are set out in the Directors' report of Priory Group No. 1 Limited. The company's management is committed to a continued growth strategy.

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, is 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.

Harbour Care (UK) Limited

Directors' report for the period ended 31 December 2012 (continued)

Dividends

The directors do not recommend the payment of a final dividend

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

Oval Nominees Limited	(appointed 7 November 2011, resigned 8 November 2011)
Oval Sec Limited	(appointed 7 November 2011, resigned 8 November 2011)
E Went	(appointed 7 November 2011)
D Hall	(appointed 15 February 2012)
J Lock	(appointed 15 February 2012)
P Scott	(appointed 15 February 2012, resigned 28 November 2012)
M Franzidis	(appointed 29 October 2012)

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

Employees

The directors recognise that the continued position of the company in the healthcare sector 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. Employees are consulted on issues through workshops, which are run regularly across the Group.

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.

Independent auditors

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

Harbour Care (UK) Limited

Directors' report for the period ended 31 December 2012 (continued)

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

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 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

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
1 August 2013

80 Hammersmith Road
London
England
W14 8UD

Harbour Care (UK) Limited

Independent auditors' report to the members of Harbour Care (UK) Limited

We have audited the financial statements of Harbour Care (UK) Limited for the period ended 31 December 2012 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of accounting policies 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 and of its loss for the period 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.

Harbour Care (UK) Limited

Independent auditors' report to the members of Harbour Care (UK) Limited (continued)

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
Newcastle Upon Tyne
1 August 2013

Harbour Care (UK) Limited

Profit and loss account for the period ended 31 December 2012

	Note	Period ended 31 December 2012 £'000
Turnover	1	4,009
Cost of sales		(4,062)
Gross loss		(53)
Administrative expenses		(239)
Operating loss		(292)
Interest payable and similar charges	5	(766)
Loss on ordinary activities before taxation	2	(1,058)
Tax on loss on ordinary activities	6	184
Loss for the financial period	13	(874)

The results for the current period derive from continuing activities

The company had no other recognised gains or losses for the period 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 period stated above and their historical cost equivalents

Harbour Care (UK) Limited

Profit and loss account for the period ended 31 December 2012

	Note	Period ended 31 December 2012 £'000
Turnover	1	4,009
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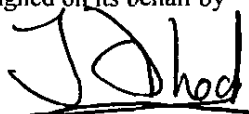
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Harbour Care (UK) Limited

Balance sheet as at 31 December 2012

	Note	2012 £'000
Fixed assets		
Intangible assets	7	3,549
Tangible assets	8	11,445
		14,994
Current assets		
Debtors	9	980
Cash at bank and in hand		16
		996
Creditors: amounts falling due within one year	10	(503)
Net current assets		493
Total assets less current liabilities		15,487
Creditors: amounts falling due after more than one year	11	(12,804)
Net assets		2,683
Capital and reserves		
Called up share capital	12	3,557
Profit and loss account	13	(874)
Total shareholders' funds	14	2,683

The financial statements on pages 6 to 21 were approved by the board of directors on 1 August 2013 and were signed on its behalf by



Jason Lock
Director

Registered number 07838042

Harbour Care (UK) Limited

Cash flow statement for the period ended 31 December 2012

	Note	Period ended 31 December 2012 £'000
Cash outflow from operating activities	16	(255)
Returns on investment and servicing of finance		
Interest paid	5	(1)
Capital expenditure and financial investment		
Purchase of tangible fixed assets		(1,091)
Acquisitions		
Purchase of trade and assets less cash acquired	15	(14,998)
Cash outflow before financing		(16,345)
Financing		
Issue of ordinary share capital	12	3,557
Issue of loan notes	11	12,804
Cash inflow from financing		16,361
Increase in net cash		16

Reconciliation of net cash flow to movement in net debt

	Note	Period ended 31 December 2012 £'000
Increase in net cash		16
Increase in net debt		(12,804)
Change in net debt resulting from cash flows		(12,788)
Movement in net debt		(12,788)
Net debt at the beginning of the period		-
Net debt at the end of the period	17	(12,788)

Harbour Care (UK) 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 and the Companies Act 2006 under the historical cost accounting rules

Goodwill

Goodwill relating to acquisitions of businesses, which represents the excess of the fair value of the consideration paid over the fair value of the assets and liabilities acquired, is capitalised in the balance sheet in the year of acquisition and amortised over a period not exceeding 20 years, being the period expected to benefit

Tangible assets and depreciation

Tangible assets are stated at cost, net of accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

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	-	50 years
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.

The expected useful lives of the assets to the business are re-assessed periodically in light of experience.

Harbour Care (UK) Limited

Statement of accounting policies (continued)

Asset impairment

Intangible and tangible assets are tested for impairment by management when a trigger event that might affect asset values has occurred. An impairment loss is recognised in the profit and loss account to the extent that the carrying amount cannot be recovered either by selling the asset or by the discounted future earnings from an income-generating unit, which is an individual business operational unit.

Leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Deferred taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

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.

Turnover and revenue recognition

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers. Revenue is recognised as the services are provided. Revenue invoiced in advance is included in deferred income until the service is provided. Revenue in respect of services provided but not yet invoiced by the period end is included within accrued income.

Harbour Care (UK) Limited

Notes to the financial statements for the period ended 31 December 2012

1 Turnover

The company's turnover, loss on ordinary activities before taxation and net assets arise primarily from its principal activity

All turnover and loss on ordinary activities before taxation arose within the United Kingdom and from one class of business

2 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging

	Period ended 31 December 2012 £'000
Depreciation and other amounts written off tangible assets	
Owned	196
Amortisation of capitalised goodwill	899
Rentals under operating leases	
Other operating leases	17

The remuneration of the auditors of £1,000 was borne by another group undertaking

3 Remuneration of directors

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.

Harbour Care (UK) Limited

Notes to the financial statements for the period ended 31 December 2012 (continued)

4 Staff numbers and costs

The average monthly number of persons employed by the company (including directors) during the period, analysed by activity, was as follows

	2012 Number
By activity	
Nursing and other clinical staff	183
Administrative staff	3
	186

The aggregate payroll costs of these persons were as follows

	Period ended 31 December 2012 £'000
Wages and salaries	2,290
Social security costs	178
	2,468

5 Interest payable and similar charges

	Period ended 31 December 2012 £'000
Bank interest and similar charges	1
Interest payable to group undertakings	765
	766

Harbour Care (UK) Limited

Notes to the financial statements for the period ended 31 December 2012 (continued)

6 Tax on loss on ordinary activities

	Period ended 31 December 2012 £'000
UK corporation tax	
Current tax credit arising in the period	(177)
Total current tax	(177)
Deferred tax credit arising in the period	(7)
Total deferred tax	(7)
Total tax credit	(184)

The current tax credit of £177,000 on the loss for the period has been surrendered to other group companies in exchange for payment of the same amount

The standard rate of tax for the period, based on the UK standard rate of corporation tax is 24.69%. The actual tax credit for the period is lower than the standard rate for the reasons set out in the following reconciliation

	Period ended 31 December 2012 £'000
Loss on ordinary activities before tax	(1,058)
Tax on loss on ordinary activities at standard rate	(261)
Factors affecting charge for the period	
Depreciation in excess of capital allowances	7
Depreciation of non-qualifying assets	41
Expenses not deductible for tax purposes (including goodwill amortisation)	36
Total current tax credit for the period	(177)

The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012. A further reduction in this corporation tax rate effective on 1 April 2013 from 24% to 23% was substantively enacted for the purposes of FRS 16 on 3 July 2012. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 24.69% and deferred taxation has been calculated based on a rate of 23%.

Harbour Care (UK) Limited

Notes to the financial statements for the period ended 31 December 2012 (continued)

6 Tax on loss on ordinary activities (continued)

Further reduction to the main rate is proposed to reduce the rate by 2% to 21% by 1 April 2014. This further change has not been substantively enacted at the balance sheet date and, therefore, is not included in these financial statements.

The overall effect of the further change from 23% to 21%, if these applied to the deferred tax balance at the balance sheet date, would be immaterial.

7 Intangible assets

	Goodwill £'000
Cost	
At 7 November 2011	-
Additions	4,448
At 31 December 2012	4,448
Accumulated amortisation	
At 7 November 2011	-
Charge for the period	899
At 31 December 2012	899
Net book amount	
At 31 December 2012	3,549
At 7 November 2011	-

On 15 February 2012 the company acquired the trade and assets of 11 care homes in the south of England from Eve Went for a consideration of £15m. Goodwill of £4.4m arose on the transaction and is being amortised over a period of 7 years on an attrition basis calculated with reference to the average length of stay of service users. See note 15 for further details.

Harbour Care (UK) Limited

Notes to the financial statements for the period ended 31 December 2012 (continued)

8 Tangible assets

	Land and buildings £'000	Assets in the course of construction £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 7 November 2011	-	-	-	-	-
Additions	10,262	870	502	7	11,641
At 31 December 2012	10,262	870	502	7	11,641
Accumulated					
At 7 November 2011	-	-	-	-	-
Charge for the period	133	-	63	-	196
At 31 December 2012	133	-	63	-	196
Net book amount					
At 31 December 2012	10,129	870	439	7	11,445
At 7 November 2011	-	-	-	-	-

9 Debtors

	2012 £'000
Trade debtors	119
Amounts owed by group undertakings	672
Other debtors	4
Prepayments and accrued income	1
Group relief recoverable	177
Deferred tax	7
	980

Harbour Care (UK) Limited

Notes to the financial statements for the period ended 31 December 2012 (continued)

9 Debtors (continued)

An analysis of deferred tax assets, included within debtors, is as follows

	£'000
Deferred tax	
At 7 November 2011	-
Credit for the year	7
At 31 December 2012	7

Deferred tax arises on the following timing differences

	2012 £'000
Accelerated tax depreciation	7

10 Creditors: amounts falling due within one year

	2012 £'000
Taxation and social security	55
Other creditors	1
Accruals and deferred income	447
	503

Harbour Care (UK) Limited

Notes to the financial statements for the period ended 31 December 2012 (continued)

11 Creditors: amounts falling due after more than one year

	2012
	£'000
Loan notes	12,804

On the 15 February 2012 the company issued £6,581,000 unsecured A loan notes with a fixed rate of 7.25% and £2,158,000 unsecured B loan notes with a fixed rate of 12%, both maturing on the 15 February 2060. A further £2,383,760 of A loan notes were issued on the 6 July 2012, £616,240 of A loan notes on the 3 August 2012 and £869,316 A loan notes and £195,802 B loan notes on the 29 August 2012. These were on the same terms as the original loan notes.

All loan notes are repayable in more than 5 years and are held by another group undertaking.

12 Called up share capital

	2012
	£
Allotted and fully paid	
127,616 A ordinary shares of £1 each	127,616
42,539 B ordinary shares of £1 each	42,539
3,386,727 cumulative redeemable preference shares of £1 each	3,386,727
	3,556,882

A ordinary shares

Each holder of an A ordinary share is to receive notice of and can attend and vote at general meetings of the company. The A ordinary shares rank equally with the B ordinary shares but behind the preference shares in respect of dividends. On any winding up or return of capital, the assets available for distribution shall be paid first to the preference shareholders (in the amount explained below) and any balance then to the holders of the A ordinary and B ordinary shares. Of this balance, the holders of A ordinary shares are entitled to the sum left after the payment referred to below to the holders of the B ordinary shares. On a sale or listing of the shares of the company, the proceeds are to be applied in the same manner as a return of capital. These shares are not redeemable.

Harbour Care (UK) Limited

Notes to the financial statements for the period ended 31 December 2012 (continued)

12 Called up share capital (continued)

B ordinary shares

Each holder of a B ordinary share is to receive notice of and can attend and vote at any general meetings of the company. The B ordinary shares rank equally with the A ordinary shares but behind the preference shares in respect of dividends. On any winding up or return of capital, the assets available for distribution shall be paid first to the preference shareholders and any balance then to the holders of the A ordinary and B ordinary shares. Of this balance, the holders of B ordinary shares are entitled to an amount equal to the sum of the B share proportion of the equity distribution (both terms as defined in the articles of association of the company) less certain adjustments for salary payments. On a sale or listing of the shares of the company, the proceeds are to be applied in the same manner as a return of capital. These shares are not redeemable.

Cumulative redeemable preference shares

Each holder of a preference share is to receive notice of and can attend and speak at any general meeting but cannot vote. The preference shares rank ahead of the A ordinary shares and B ordinary shares in relation to dividends and on any winding up of the company or return of capital. The holders of preference shares are entitled to dividends at the preference rate (as defined in the articles of association of the company) on the subscription price of each preference share to the extent paid up (together with any accrued but unpaid dividends). Unpaid dividends compound annually. Upon the winding up of the company or a return of capital, the assets available for distribution shall be paid first to the preference shareholders in an amount equal to the subscription price on each preference share together with all unpaid dividends. On a sale or listing of the shares of the company, the proceeds are to be applied in the same manner as a return of capital. The preference shares may be redeemed in whole or in part by the company at any time.

13 Profit and loss account

	£'000
At 7 November 2011	-
Loss for the financial period	(874)
At 31 December 2012	(874)

Harbour Care (UK) Limited

Notes to the financial statements for the period ended 31 December 2012 (continued)

14 Reconciliation of movements in shareholders' funds

	2012 £'000
Shares issued in the period	3,557
Loss for the financial period	(874)
Net increase to shareholders' funds	2,683
Opening shareholders' funds	-
Closing shareholders' funds	2,683

15 Acquisitions

On 15 February 2012 the company acquired the trade and assets of eleven Specialist Services homes in the South of England for a cash consideration of £15.0m

	£'000
Cash consideration	15,000
Fair value of net assets acquired	(10,552)
Goodwill	4,448

The fair values of the net assets acquired are as follows

	Fair value £'000
Property, plant and equipment	10,550
Cash	2
Net assets	10,552

From the date of acquisition to 31 December 2012, the contribution of the acquisition to the Company results was as follows

	£'000
Revenue	4,009
Loss on ordinary activities before tax	(1,058)

Harbour Care (UK) Limited

Notes to the financial statements for the period ended 31 December 2012 (continued)

16 Reconciliation of operating profit to operating cash flows

	Period ended 31 December 2012 £'000
Operating loss	(292)
Depreciation and amortisation	1,095
Increase in debtors	(1,561)
Increase in creditors	503
Net cash outflow from operating activities	(255)

17 Analysis of net debt

	At 7 November 2011 £'000	Cash flow £'000	At 31 December 2012 £'000
Cash at bank and in hand	-	16	16
Loan notes	-	(12,804)	(12,804)
Net debt	-	(12,788)	(12,788)

18 Commitments

Capital commitments at the end of the financial period, for which no provision has been made, are as follows

	2012 £'000
Contracted	17

Annual commitments under non-cancellable land and building operating leases are as follows

	2012 £'000
Operating leases which expire	
Within one year	7
In the second to fifth years inclusive	16
	23

Harbour Care (UK) Limited

Notes to the financial statements for the period ended 31 December 2012 (continued)

19 Related party transactions

During the period the company issued loan notes totalling £12,804,000 to Craegmoor (Harbour Care) Limited, further details of the loan notes are given in note 11. Interest of £765,000 in relation to the loan notes was payable during the period.

The company acquired the trade and assets of 11 Specialist Services homes from Eve Went, the minority shareholder of the company, further details of the transaction are given in note 15.

During the period 127,616 A ordinary shares and 157,066 preference shares were issued to Craegmoor (Harbour Care) Limited and 42,539 B shares and 3,229,661 preference shares were issued to Eve Went. See note 12 for further details.

Amounts owed by group undertakings at the period end totalled £672,000 and amounts due from group companies in relation to group relief totalled £177,000.

20 Ultimate parent company and controlling party

The company's immediate parent company, which is incorporated in the United Kingdom, is Craegmoor (Harbour Care) Limited. At 31 December 2012 Craegmoor (Harbour Care) Limited owned 75% of the company's share capital with the remaining 25% held by Eve Went.

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 2012. Priory Group No. 3 PLC is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2012. 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.