

# **Partnerships in Care (Oak Vale) Limited**

**Annual Report and Unaudited Financial Statements**

**for the Year Ended 31 December 2021**

**Registration number: 08135440**

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**Partnerships in Care (Oak Vale) Limited**

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# **Partnerships in Care (Oak Vale) Limited**

## **Company Information**

<b>Directors</b>	David Hall
	Jim Lee
	Rebekah Cresswell
<b>Company secretary</b>	David Hall
<b>Registered office</b>	Fifth Floor 80 Hammersmith Road London W14 8UD

## Partnerships in Care (Oak Vale) Limited

### Strategic Report for the Year Ended 31 December 2021

The Directors present their strategic report for the year ended 31 December 2021.

#### Principal activity

The principal activity of the company is the provision of a residential mental healthcare facility.

#### Fair review of the business

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 8.

The company is focussed on the healthcare sector and 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 care, 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 profit margins achieved.

The company's management is satisfied with the performance for the year, and is committed to a continued growth strategy.

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 UK 1 Limited, an intermediate parent of the company, is discussed in the group's financial statements which includes the company and 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 principle risks and uncertainties of Priory Group UK 1 Limited, which include those of the company, are discussed in the group's financial statements which do not form part of this report.

#### Statement on Section 172(1)

The following Section 172 statement, which is required by the Companies Act 2006, describes how the directors have had regard to the matters set out in Section 172(1a to 1f) including key decisions and matters that are of strategic importance to the company. The Directors, in line with their duties under Section 172 of the Companies Act 2006, act in a way they consider, in good faith would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term.

From the perspective of the company, decisions and policies relating to Section 172(1) are determined at group level and applied to the company, where relevant, by the Directors. Accordingly, further details in relation to how the directors have engaged with suppliers, customers, employees and other stakeholders are included in the financial statements of Priory Group UK 1 Limited, an intermediate parent of the company, which includes the company and does not form part of this report.

Approved by the Board on 31 August 2022 and signed on its behalf by:



.....  
David Hall  
Company secretary and director

# Partnerships in Care (Oak Vale) Limited

## Directors' Report for the Year Ended 31 December 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

This report should be read in conjunction with the strategic report on page 2. The company has chosen in accordance with Section 414C(ii) of the Companies Act 2006 to set out in the strategic report the following which the directors believe to be of strategic importance:

- Business review;
- Principal risks and uncertainties; and
- Statements in relation to how directors have engaged with employees, suppliers, customers and others in a business relationship with the company.

### Directors of the Company

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

David Hall - Company secretary and director (appointed 12 July 2021)

Trevor Torrington (resigned 12 July 2021)

Ryan Jervis (resigned 12 July 2021)

Jim Lee (appointed 12 July 2021)

Rebekah Cresswell (appointed 8 December 2021)

The directors do not recommend the payment of a final dividend (2020: £nil). No dividends were paid during the year (2020: £nil).

### Financial instruments

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 UK 1 Limited, which include those of the company, are discussed in the group's financial statements which do not form part of this report.

### Employee involvement

The directors recognise that the continued position of the company in this 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 employees of the company's business aims, performance and individual opportunities for personal and career development. 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 the "Your Say" forum. Employees have a personal development plan that is monitored, assessed and modified during the annual appraisal process.

The directors monitor the results of staff surveys, both regular and ad hoc, together with employee forums, to enable them to discuss human resourcing matters with the interests of the workforce at heart. Annual salary reviews are undertaken with reference to the importance of employee retention, changes in the National Living Wage, and commercial factors. The directors are committed to communicating the results of any wage reviews in a transparent manner.

## **Partnerships in Care (Oak Vale) Limited**

### **Directors' Report for the Year Ended 31 December 2021 (continued)**

#### **Employment of disabled persons**

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 arranged appropriate training for, employees who become disabled and to provide equal opportunities for the career development, training and promotion of disabled employees.

#### **Future developments**

The future developments of the company are aligned to the strategy of the UK group, headed by Priory Group UK 1 Limited. The group's strategy for the future development of the business is included in the group's financial statements, which do not form part of this report.

#### **Going concern**

The intermediate parent company, Priory Group UK 1 Limited, has confirmed that it will continue to provide financial support to the company for the foreseeable future and for at least twelve months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on the going concern basis.

Approved by the Board on 31 August 2022 and signed on its behalf by:

*David Hall*

.....  
David Hall  
Company secretary and director

## **Partnerships in Care (Oak Vale) Limited**

### **Statement of Directors' Responsibilities**

The Directors acknowledge their responsibilities for preparing the Annual 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 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 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.

## Partnerships in Care (Oak Vale) Limited

### Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Turnover	3	2,556	2,498
Cost of sales		<u>(2,068)</u>	<u>(1,995)</u>
Gross profit		488	503
Administrative expenses		<u>5</u>	<u>(123)</u>
Operating profit	4	493	380
Interest payable and similar charges		<u>(2)</u>	<u>-</u>
Profit before tax		491	380
Taxation	7	<u>(120)</u>	<u>(104)</u>
Profit for the financial year		<u>371</u>	<u>276</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.



## Partnerships in Care (Oak Vale) Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Profit for the year		<u>371</u>	<u>276</u>
Total comprehensive income for the year		<u>371</u>	<u>276</u>

## Partnerships in Care (Oak Vale) Limited

(Registration number: 08135440)

### Balance Sheet as at 31 December 2021

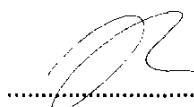
	Note	2021 £ 000	2020 £ 000
<b>Fixed assets</b>			
Tangible fixed assets	8	90	47
<b>Current assets</b>			
Debtors	9	2,748	2,377
Cash at bank and in hand	10	<u>11</u>	<u>2</u>
		2,759	2,379
<b>Creditors:</b> Amounts falling due within one year	11	<u>(273)</u>	<u>(221)</u>
<b>Net current assets</b>		<u>2,486</u>	<u>2,158</u>
<b>Net assets</b>		<u>2,576</u>	<u>2,205</u>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account		<u>2,576</u>	<u>2,205</u>
<b>Total equity</b>		<u>2,576</u>	<u>2,205</u>

For the financial year ending 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised by the Board on 31 August 2022 and signed on its behalf by:



Jim Lee

Director

The notes on pages 10 to 17 form an integral part of these financial statements.

## Partnerships in Care (Oak Vale) Limited

### Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021	-	2,205	2,205
Profit for the year	-	371	371
Total comprehensive income	-	371	371
At 31 December 2021	-	2,576	2,576

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	-	1,929	1,929
Profit for the year	-	276	276
Total comprehensive income	-	276	276
At 31 December 2020	-	2,205	2,205

The notes on pages 10 to 17 form an integral part of these financial statements.

## **Partnerships in Care (Oak Vale) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1 General information**

The company is a private company limited by share capital incorporated in United Kingdom.

The address of its registered office is:

Fifth Floor  
80 Hammersmith Road  
London  
W14 8UD  
United Kingdom

These financial statements were authorised for issue by the Board on 31 August 2022.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

The financial statements are presented in sterling, rounded to the nearest thousand. They are prepared on a going concern basis and under the historical cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below, and, unless otherwise stated, these policies have been consistently applied to all the periods presented.

##### **Summary of disclosure exemptions**

The principle disclosure exemptions adopted by the company in accordance with FRS 102 are as follows:

- Statement of cash flows;
- Certain financial instrument disclosures;
- Disclosure of key management personnel compensation;
- Disclosures in respect of related party transactions entered into between fellow group companies (the company has no other related party transactions); and
- Roll-forward reconciliations in respect of share capital and tangible fixed assets.

##### **Going concern**

The intermediate parent company, Priory Group UK 1 Limited, has confirmed that it will continue to provide financial support to the company for the foreseeable future and for at least twelve months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on the going concern basis.

# Partnerships in Care (Oak Vale) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 2 Accounting policies (continued)

#### Judgements

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period then ended. Management bases its estimates on historical experience and various other assumptions that are considered to be reasonable in the particular circumstances. Actual results may differ from these estimates.

#### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Company's activities.

#### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### Tangible fixed assets

Tangible fixed assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

##### Asset class

Freehold buildings

Fixtures and fittings

Motor vehicles

##### Depreciation method and rate

over 50 years

over 3 to 16 years

over the shorter of the lease term and 4 years

## **Partnerships in Care (Oak Vale) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### **Debtors**

Debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

##### **Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## Partnerships in Care (Oak Vale) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
Rendering of services	<u>2,556</u>	<u>2,498</u>

#### 4 Operating profit

Arrived at after charging/(crediting)

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
Depreciation expense	22	24
Profit on disposal of property, plant and equipment	<u>(5)</u>	<u>-</u>

#### 5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	1,502	1,414
Social security costs	113	99
Pension costs, defined contribution scheme	<u>22</u>	<u>21</u>
	<u>1,637</u>	<u>1,534</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Administration and support	10	10
Other departments	<u>54</u>	<u>52</u>
	<u>64</u>	<u>62</u>

#### 6 Directors' remuneration

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.

## Partnerships in Care (Oak Vale) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 7 Taxation

Tax charged/(credited) in the income statement

	2021 £ 000	2020 £ 000
<b>Current taxation</b>		
UK corporation tax	121	106
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(1)	(2)
Tax expense in the income statement	<u>120</u>	<u>104</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Profit before tax	<u>491</u>	<u>380</u>
Corporation tax at standard rate	93	72
Effect of expense not deductible in determining taxable profit (tax loss)	-	1
Deferred tax expense (credit) relating to changes in tax rates or laws	(1)	-
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	1	-
Tax increase (decrease) from transfer pricing adjustments	<u>27</u>	<u>31</u>
Total tax charge	<u>120</u>	<u>104</u>

#### Deferred tax

Deferred tax assets and liabilities

2021	Asset £ 000
Fixed asset timing differences	<u>3</u>
2020	Asset £ 000
Fixed asset timing differences	<u>2</u>



## Partnerships in Care (Oak Vale) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 7 Taxation (continued)

Finance Bill 2021 was substantively enacted on 24 May 2021; this legislation increases the main rate of corporation tax to 25% with effect from 1 April 2023. Deferred tax has been calculated at 25% (2020: 19%), reflecting the period in which the temporary differences that give rise to deferred tax will reverse.

Deferred tax assets relating to deductible temporary differences are recognised if it is probable that they can be offset against future taxable profits or existing temporary differences. On the basis of the approved business plans, it is considered probable that the temporary differences can be offset against future taxable profits.

#### 8 Tangible fixed assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Motor vehicles £ 000	Total £ 000
<b>Cost or valuation</b>				
At 1 January 2021	46	106	14	166
Additions	-	54	11	65
Disposals	-	(45)	(14)	(59)
At 31 December 2021	46	115	11	172
<b>Depreciation</b>				
At 1 January 2021	45	60	14	119
Charge for the year	-	18	4	22
Eliminated on disposal	-	(45)	(14)	(59)
At 31 December 2021	45	33	4	82
<b>Carrying amount</b>				
At 31 December 2021	1	82	7	90
At 31 December 2020	1	46	-	47

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible fixed assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £ 000	2020 £ 000
Motor vehicles	7	-

## Partnerships in Care (Oak Vale) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 9 Debtors

	2021 £ 000	2020 £ 000
Trade receivables	238	135
Amounts owed by related parties	2,504	2,229
Other debtors	3	3
Prepayments	-	8
Deferred tax assets	3	2
Total current trade and other debtors	<u>2,748</u>	<u>2,377</u>

Amounts owed by related parties are unsecured, interest free and repayable on demand.

#### 10 Cash and cash equivalents

	2021 £ 000	2020 £ 000
Cash at bank	<u>11</u>	<u>2</u>

#### 11 Creditors

	2021 £ 000	2020 £ 000
<b>Due within one year</b>		
Social security and other taxes	70	52
Outstanding defined contribution pension costs	5	5
Accrued expenses	71	58
Income tax liability	121	106
Loans and borrowings	6	-
Trade and other payables	<u>273</u>	<u>221</u>

#### 12 Share capital

##### Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

## Partnerships in Care (Oak Vale) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 13 Loans and borrowings

	2021 £ 000	2020 £ 000
<b>Current loans and borrowings</b>		
Finance lease liabilities	6	-

#### 14 Parent and ultimate parent undertaking

The company's immediate parent is Partnerships in Care (Oak Vale) Holding Company Limited, incorporated in the United Kingdom.

The ultimate parent is Rehab and Mental Healthcare Group B.V., incorporated in the Netherlands.

##### Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Median B.V., incorporated in the Netherlands.

The address of Median B.V. is:  
Basisweg 10, 1043 AP, Amsterdam, the Netherlands.

The parent of the smallest group in which these financial statements are consolidated is Priory Group UK 1 Limited, incorporated in United Kingdom.

The address of Priory Group UK 1 Limited is:  
Fifth Floor, 80 Hammersmith Road, London, W14 8UD, United Kingdom.

The ultimate controlling party is considered to be Waterland Private Equity by virtue of the company's ultimate parent company being majority owned by funds under the ownership and control of Waterland Private Equity.