

# **Priory Investments Holdings Limited**

## **Annual Report and Unaudited Financial Statements**

**for the Year Ended 31 December 2019**

**Registration number: FC026138**

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# Priory Investments Holdings Limited

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# Priory Investments Holdings Limited

## Company Information

**Directors** Trevor Torrington

Ryan Jervis

**Company secretary** David Hall

**Registered office** c/o M&C Corporate Services Ltd  
PO Box 309GT  
Ugland House  
South Church Street  
George Town

# Priory Investments Holdings Limited

## Strategic Report for the Year Ended 31 December 2019

The Directors present their strategic report for the year ended 31 December 2019.

### Principal activity

The principal activity of the company is to act as an investment holding company.

### 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.

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.

Approved by the Board on 6 July 2020 and signed on its behalf by:



.....  
David Hall  
Company secretary

# **Priory Investments Holdings Limited**

## **Directors' Report for the Year Ended 31 December 2019**

The Directors present their report and the financial statements for the year ended 31 December 2019.

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; and
- Principal risks and uncertainties.

### **Directors of the Company**

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

Trevor Torrington

Nigel Myers (resigned 17 December 2019)

Ryan Jervis (appointed 17 December 2019)

The directors do not recommend the payment of a final dividend (2018: £nil). No dividends were paid during the year (2018: £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 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 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 annual report, which does not form part of this report.

### **Going concern**

The Directors have adopted the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of the COVID-19 pandemic. The going concern 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.

After making appropriate enquiries and having considered the business activities and principal risks and uncertainties, the directors of the group are satisfied that the group as a whole has adequate resources to continue in operational existence for the foreseeable future. As a result 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.

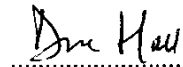
## **Priory Investments Holdings Limited**

### **Directors' Report for the Year Ended 31 December 2019 (continued)**

#### **Auditors**

The company is incorporated in the Cayman Islands and registered in both the Cayman Islands and the UK. The company is not required to publish audited financial statements. The purpose of these financial statements is to meet the obligations for filing in both the UK and the Cayman Islands. The filing requirements for the Cayman Islands are significantly less in scope than those for the UK. These financial statements have been prepared in accordance with applicable UK accounting standards and UK companies' legislation as applied to overseas companies and under the historical cost convention. References in these financial statements to the Companies Act and other legislation are therefore references to UK legislation. These financial statements comply the Companies Act 2006 as applied to overseas companies.

Approved by the Board on 6 July 2020 and signed on its behalf by:



David Hall  
Company secretary

# **Priory Investments Holdings 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.

## Priory Investments Holdings Limited

### Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Turnover		-	-
Operating profit/(loss)		-	-
Other interest receivable and similar income	3	-	164,337
Interest payable and similar charges	4	(22,806)	(20,357)
		(22,806)	143,980
(Loss)/profit before tax		(22,806)	143,980
Taxation	6	(14,037)	(25,291)
(Loss)/profit for the financial year		(36,843)	118,689

The above results were derived from continuing operations.

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

## Priory Investments Holdings Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2019

	<b>Note</b>	<b>2019 £ 000</b>	<b>2018 £ 000</b>
(Loss)/profit for the year		<u>(36,843)</u>	<u>118,689</u>
Total comprehensive income for the year		<u>(36,843)</u>	<u>118,689</u>

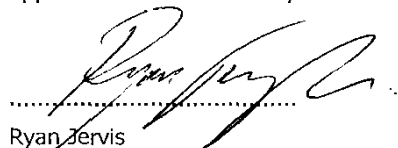
## Prory Investments Holdings Limited

(Registration number: FC026138)

### Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
<b>Fixed assets</b>			
Investments	7	126,209	126,209
<b>Current assets</b>			
Debtors	8	1,559,210	1,559,210
<b>Creditors:</b> Amounts falling due within one year	9	<u>(429,931)</u>	<u>(393,088)</u>
<b>Net current assets</b>		<u>1,129,279</u>	<u>1,166,122</u>
<b>Total assets less current liabilities</b>		1,255,488	1,292,331
<b>Creditors:</b> Amounts falling due after more than one year	9	<u>(15,638)</u>	<u>(15,638)</u>
<b>Net assets</b>		<u>1,239,850</u>	<u>1,276,693</u>
<b>Capital and reserves</b>			
Called up share capital	10	409,544	409,544
Share premium reserve		3	3
Profit and loss account		<u>830,303</u>	<u>867,146</u>
Total equity		<u>1,239,850</u>	<u>1,276,693</u>

Approved and authorised by the Board on 6 July 2020 and signed on its behalf by:

  
.....  
Ryan Jervis  
Director

## Priory Investments Holdings Limited

### Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	409,544	3	867,146	1,276,693
Loss for the year	-	-	(36,843)	(36,843)
Total comprehensive income	-	-	(36,843)	(36,843)
At 31 December 2019	409,544	3	830,303	1,239,850

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	409,544	3	748,457	1,158,004
Profit for the year	-	-	118,689	118,689
Total comprehensive income	-	-	118,689	118,689
At 31 December 2018	409,544	3	867,146	1,276,693

The notes on pages 10 to 29 form an integral part of these financial statements.

# **Priory Investments Holdings Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2019**

### **1 General information**

The company is a private company limited by share capital incorporated in Cayman Islands.

*The address of its registered office is:*

c/o M&C Corporate Services Ltd  
PO Box 309GT  
Ugland House  
South Church Street  
George Town  
Cayman Islands

These financial statements were authorised for issue by the Board on 6 July 2020.

### **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.

# **Priory Investments Holdings Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

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

#### **Going concern**

The Directors have adopted the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of the COVID-19 pandemic. The going concern 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.

After making appropriate enquiries and having considered the business activities and principal risks and uncertainties, the directors of the group are satisfied that the group as a whole has adequate resources to continue in operational existence for the foreseeable future. As a result 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.

#### **Tax**

The tax expense for the period comprises current 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.

#### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### **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.

## Priory Investments Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 3 Other interest receivable and similar income

	2019 £ 000	2018 £ 000
Other finance income	-	164,337

#### 4 Interest payable and similar charges

	2019 £ 000	2018 £ 000
Interest payable on loans from group undertakings	22,806	20,357

#### 5 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 (2018: £nil) 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.

#### 6 Taxation

Tax charged/(credited) in the income statement

	2019 £ 000	2018 £ 000
<b>Current taxation</b>		
UK corporation tax	14,037	25,291

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
(Loss)/profit before tax	(22,806)	143,980
Corporation tax at standard rate	(4,333)	27,356
Tax increase (decrease) from transfer pricing adjustments	18,370	(2,065)
Total tax charge	14,037	25,291

The company's profits for this accounting year are taxed at an effective rate of 19% (2018: 19%).

# Priory Investments Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

### 6 Taxation (continued)

A reduction in the main rate of corporation tax to 17% with effect from 1 April 2020 was substantively enacted on 6 September 2016. Finance Bill 2020 reversed this proposed rate reduction hence the rate remains at 19% from 1 April 2020.

### 7 Investments in subsidiaries, joint ventures and associates

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost or valuation</b>	
At 1 January 2019	<u>126,209</u>
At 31 December 2019	<u>126,209</u>
<b>Carrying amount</b>	
At 31 December 2019	<u>126,209</u>
At 31 December 2018	<u>126,209</u>

#### Details of undertakings

Details of the investments the company holds are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Priory Health No 1 Limited	Cayman Islands	Ordinary shares	100%	100%
Craegmoor Group Limited	United Kingdom	Ordinary shares	100%	100%
Priory Healthcare Holdings Limited	United Kingdom	Ordinary shares	100%	100%
Medical Imaging (Essex) Limited	United Kingdom	Ordinary shares	100%	100%
Nottcor 6 Limited	United Kingdom	Ordinary shares	100%	100%
Priory Pension Trustee Limited	United Kingdom	Ordinary shares	100%	100%
Priory Healthcare Investments Trustee Limited	United Kingdom	Ordinary shares	100%	100%

## Priory Investments Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 7 Investments in subsidiaries, joint ventures and associates (continued)

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	
Priory Holdings Company No 1 Limited	Cayman Islands	Ordinary shares	100%	100%
Priory New Investments Limited	United Kingdom	Ordinary shares	100%	100%
Priory Services for Young People (IOM) Limited	Isle of Man	Ordinary shares	100%	100%
Priory Health No 2 Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Healthcare Investments Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Finance Company Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Finance Property Holdings No. 1 Limited	United Kingdom	Ordinary shares	100%	100%
Priory Finance Property Holdings No. 2 Limited	United Kingdom	Ordinary shares	100%	100%
Coxlease Holdings Limited	United Kingdom	Ordinary shares	100%	100%
Coxlease School Limited	United Kingdom	Ordinary shares	100%	100%
Priory Healthcare Finance Co Limited	United Kingdom	Ordinary shares	100%	100%
Priory Group Limited	United Kingdom	Ordinary shares	100%	100%
Priory Securitisation Holdings Limited	United Kingdom	Ordinary shares	100%	100%
Priory Behavioural Health Limited	United Kingdom	Ordinary shares	100%	100%
Employee Management Services Limited	United Kingdom	Ordinary shares	100%	100%
Sturt House Clinic Limited	United Kingdom	Ordinary shares	100%	100%
Fanplate Limited	United Kingdom	Ordinary shares	100%	100%
Priory Securitisation Limited	United Kingdom	Ordinary shares	100%	100%
Priory Grange (Holdings) Limited	United Kingdom	Ordinary shares	100%	100%
Priory Old Acute Services Limited	United Kingdom	Ordinary shares	100%	100%

# Priory Investments Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

### 7 Investments in subsidiaries, joint ventures and associates (continued)

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	
Priory Old Grange Services Limited	United Kingdom	Ordinary shares	100%	100%
Priory Old Forensic Services Limited	United Kingdom	Ordinary shares	100%	100%
Priory Old Schools Services Limited	United Kingdom	Ordinary shares	100%	100%
Libra Health Limited	United Kingdom	Ordinary shares	100%	100%
Jacques Hall Limited	United Kingdom	Ordinary shares	100%	100%
Robinson Kay House (Bury) Limited	United Kingdom	Ordinary shares	100%	100%
Farleigh Schools Limited	United Kingdom	Ordinary shares	100%	100%
Chelfham Senior School Limited	United Kingdom	Ordinary shares	100%	100%
Autism (GB) Limited	United Kingdom	Ordinary shares	100%	100%
Solutions (Llangarron) Limited	United Kingdom	Ordinary shares	100%	100%
Priory Holdings Company No 2 Limited	Cayman Islands	Ordinary shares	100%	100%
Cockermouth Propco Limited	United Kingdom	Ordinary shares	100%	100%
Fulford Grange Medical Centre Limited	United Kingdom	Ordinary shares	50%	50%
Priory Holdings Company No 3 Limited	Cayman Islands	Ordinary shares	100%	100%
Priory Healthcare Limited	United Kingdom	Ordinary shares	100%	100%
Priory Rehabilitation Services Limited	United Kingdom	Ordinary shares	100%	100%
Priory Education Services Limited	United Kingdom	Ordinary shares	100%	100%
Priory Central Services Limited	United Kingdom	Ordinary shares	100%	100%
Velocity Healthcare Limited	United Kingdom	Ordinary shares	100%	100%
Renova LLP	United Kingdom	Membership capital	100%	100%

## Priory Investments Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 7 Investments in subsidiaries, joint ventures and associates (continued)

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	
Priory (Thetford 1) Limited	United Kingdom	Ordinary shares	100%	100%
Priory (Thetford 2) Limited	United Kingdom	Ordinary shares	100%	100%
Thetford Trustee LLP	United Kingdom	Membership capital	100%	100%
Castlecare Group Limited	United Kingdom	Ordinary shares	100%	100%
Castlecare Holdings Limited	United Kingdom	Ordinary shares	100%	100%
Castle Homes Care Limited	United Kingdom	Ordinary shares	100%	100%
Castle Homes Limited	United Kingdom	Ordinary shares	100%	100%
Quantum Care (UK) Limited	United Kingdom	Ordinary shares	100%	100%
Castlecare Cymru Limited	United Kingdom	Ordinary shares	100%	100%
Castlecare Education Limited	United Kingdom	Ordinary shares	100%	100%
Rothcare Estates Limited	United Kingdom	Ordinary shares	100%	100%
C O Developments Limited	United Kingdom	Ordinary shares	100%	100%
Priory Care Homes Holdings Limited	United Kingdom	Ordinary shares	100%	100%
Helden Homes Limited	United Kingdom	Ordinary shares	100%	100%
Priory New Investments No. 2 Limited	United Kingdom	Ordinary shares	100%	100%
Priory Investments No. 3 Limited	United Kingdom	Ordinary shares	100%	100%
Affinity Healthcare Holdings Limited	United Kingdom	Ordinary shares	100%	100%
Priory New Education Services Limited	United Kingdom	Ordinary shares	100%	100%
Priory (Troup House) Limited	United Kingdom	Ordinary shares	100%	100%
Dunhall Property Limited	United Kingdom	Ordinary shares	100%	100%

# Priory Investments Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

### 7 Investments in subsidiaries, joint ventures and associates (continued)

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	
Affinity Healthcare Limited	United Kingdom	Ordinary shares	100%	100%
Affinity Hospitals Holdings Limited	United Kingdom	Ordinary shares	100%	100%
Affinity Hospitals Group Limited	United Kingdom	Ordinary shares	100%	100%
Affinity Hospitals Limited	United Kingdom	Ordinary shares	100%	100%
Cheadle Royal Healthcare Limited	United Kingdom	Ordinary shares	100%	100%
Middleton St George Healthcare Limited	United Kingdom	Ordinary shares	100%	100%
Cheadle Royal Residential Services Limited	United Kingdom	Ordinary shares	100%	100%
Craegmoor Group (No.1) Limited	United Kingdom	Ordinary shares	100%	100%
Craegmoor Group (No.2) Limited	United Kingdom	Ordinary shares	100%	100%
Craegmoor Group (No.3) Limited	United Kingdom	Ordinary shares	100%	100%
Amore Group (Holdings) Limited	United Kingdom	Ordinary shares	100%	100%
Craegmoor Group (No.5) Limited	United Kingdom	Ordinary shares	100%	100%
Craegmoor Group (No.6) Limited	United Kingdom	Ordinary shares	100%	100%
Craegmoor Limited	United Kingdom	Ordinary shares	100%	100%
Amore Care Holdings Limited	United Kingdom	Ordinary shares	100%	100%
Craegmoor Facilities Company Limited	United Kingdom	Ordinary shares	100%	100%
Craegmoor Hospitals (Holdings) Limited	United Kingdom	Ordinary shares	100%	100%
Craegmoor Learning (Holdings) Limited	United Kingdom	Ordinary shares	100%	100%
Craegmoor Care (Holdings) Limited	United Kingdom	Ordinary shares	100%	100%
Speciality Care Limited	United Kingdom	Ordinary shares	100%	100%

## Priory Investments Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 7 Investments in subsidiaries, joint ventures and associates (continued)

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	
Craegmoor (Harbour Care) Limited	United Kingdom	Ordinary shares	100%	100%
Harbour Care (UK) Limited	United Kingdom	Ordinary shares	100%	100%
Speciality Care (Rest Homes) Limited	United Kingdom	Ordinary shares	100%	100%
Strathmore College Limited	United Kingdom	Ordinary shares	100%	100%
Speciality Care (Medicare) Limited	United Kingdom	Ordinary shares	100%	100%
Specialised Courses Offering Purposeful Education Limited	United Kingdom	Ordinary shares	100%	100%
Burnside Care Limited	United Kingdom	Ordinary shares	100%	100%
Craegmoor Healthcare Company Limited	United Kingdom	Ordinary shares	100%	100%
Craegmoor Supporting You Limited	United Kingdom	Ordinary shares	100%	100%
Greymount Properties Limited	United Kingdom	Ordinary shares	100%	100%
Parkcare Homes (No. 2) Limited	United Kingdom	Ordinary shares	100%	100%
Autism TASCC Services Limited	United Kingdom	Ordinary shares	100%	100%
Cotswold Care Services Limited	United Kingdom	Ordinary shares	100%	100%
Craegmoor Holdings Limited	United Kingdom	Ordinary shares	100%	100%
Craegmoor Homes Limited	United Kingdom	Ordinary shares	100%	100%
J C Care Limited	United Kingdom	Ordinary shares	100%	100%
Johnston Care Limited	United Kingdom	Ordinary shares	100%	100%
Lambs Support Services Limited	United Kingdom	Ordinary shares	100%	100%
Positive Living Limited	United Kingdom	Ordinary shares	100%	100%
Sapphire Care Services Limited	United Kingdom	Ordinary shares	100%	100%

# Priory Investments Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

### 7 Investments in subsidiaries, joint ventures and associates (continued)

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	
Treehome Limited	United Kingdom	Ordinary shares	100%	100%
Grovedraft Limited	United Kingdom	Ordinary shares	100%	100%
Peninsula Autism Services and Support Limited	United Kingdom	Ordinary shares	100%	100%
High Quality Lifestyles Limited	United Kingdom	Ordinary shares	100%	100%
New Directions (Hastings) Limited	United Kingdom	Ordinary shares	100%	100%
New Directions (Bexhill) Limited	United Kingdom	Ordinary shares	100%	100%
New Directions (Robertsbridge) Limited	United Kingdom	Ordinary shares	100%	100%
New Directions (St. Leonards on Sea) Limited	United Kingdom	Ordinary shares	100%	100%
Lansdowne Road Limited	United Kingdom	Ordinary shares	100%	100%
Lothlorien Community Limited	United Kingdom	Ordinary shares	100%	100%
R. J. Homes Limited	United Kingdom	Ordinary shares	100%	100%
Heddfan Care Limited	United Kingdom	Ordinary shares	100%	100%
Strathmore Care Services Limited	United Kingdom	Ordinary shares	100%	100%
Conquest Care Homes (Norfolk) Limited	United Kingdom	Ordinary shares	100%	100%
Conquest Care Homes (Peterborough) Limited	United Kingdom	Ordinary shares	100%	100%
Conquest Care Homes (Soham) Limited	United Kingdom	Ordinary shares	100%	100%
Ferguson Care Limited	United Kingdom	Ordinary shares	100%	100%
Speciality Care (Learning Disabilities) Limited	United Kingdom	Ordinary shares	100%	100%
Speciality Care (Rehab) Limited	United Kingdom	Ordinary shares	100%	100%
Amore (Prestwick) Limited	United Kingdom	Ordinary shares	100%	100%

## Priory Investments Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 7 Investments in subsidiaries, joint ventures and associates (continued)

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	
Amore Elderly Care Holdings Limited	United Kingdom	Ordinary shares	100%	100%
Amore Elderly Care (Wednesfield) Limited	United Kingdom	Ordinary shares	100%	100%
Amore (Ben Madigan) Limited	United Kingdom	Ordinary shares	100%	100%
Amore (Warrenpoint) Limited	United Kingdom	Ordinary shares	100%	100%
Amore (Watton) Limited	United Kingdom	Ordinary shares	100%	100%
Amore Care Limited	United Kingdom	Ordinary shares	100%	100%
Speciality Healthcare Limited	United Kingdom	Ordinary shares	100%	100%
Health & Care Services (NW) Limited	United Kingdom	Ordinary shares	100%	100%
Speciality Care (Addison Court) Limited	United Kingdom	Ordinary shares	100%	100%
Speciality Care (EMI) Limited	United Kingdom	Ordinary shares	100%	100%
Speciality Care (UK Lease Homes) Limited	United Kingdom	Ordinary shares	100%	100%
Parkcare Homes Limited	United Kingdom	Ordinary shares	100%	100%
Health & Care Services (UK) Limited	United Kingdom	Ordinary shares	100%	100%
Amore (Stoke 1) Limited	United Kingdom	Ordinary shares	100%	100%
Amore (Wednesfield 1) Limited	United Kingdom	Ordinary shares	100%	100%
S P Cockermouth Limited	United Kingdom	Ordinary shares	100%	100%
Amore (Coventry) Limited	Isle of Man	Ordinary shares	100%	100%
Yorkshire Parkcare Company Limited	United Kingdom	Ordinary shares	100%	100%
Speciality Care (Rest Care) Limited	United Kingdom	Ordinary shares	100%	100%
Amore (Bourne) Limited	United Kingdom	Ordinary shares	100%	100%

## Priory Investments Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 7 Investments in subsidiaries, joint ventures and associates (continued)

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
Amore (Cockermouth) Limited	United Kingdom	Ordinary shares	100%	100%
Amore (Ings Road) Limited	United Kingdom	Ordinary shares	100%	100%
Amore Elderly Care Limited	United Kingdom	Ordinary shares	100%	100%
Amore (Stoke 2) Limited	United Kingdom	Ordinary shares	100%	100%
Amore (Wednesfield 2) Limited	United Kingdom	Ordinary shares	100%	100%
Wednesfield 3 Limited	United Kingdom	Ordinary shares	100%	100%
Stoke Trustee (No 2) LLP	United Kingdom	Membership capital	100%	100%
Wednesfield Trustee LLP	United Kingdom	Membership capital	100%	100%
Wednesfield Trustee (No 2) LLP	United Kingdom	Membership capital	100%	100%
Stoke Trustee LLP	United Kingdom	Membership capital	100%	100%
Priory Finance Property LLP	United Kingdom	Membership capital	100%	100%
Life Works Community Limited	United Kingdom	Ordinary shares	100%	100%
Progress Care (Holdings) Limited	United Kingdom	Ordinary shares	100%	100%
Progress Care and Education Limited	United Kingdom	Ordinary shares	100%	100%
Progress Adult Services Limited	United Kingdom	Ordinary shares	100%	100%
Aspire Scotland Limited	United Kingdom	Ordinary shares	100%	100%
Galaxy Cafe Limited	United Kingdom	Ordinary shares	100%	100%
Galaxy UK Leisure Limited	United Kingdom	Ordinary shares	100%	100%
Aspire Scotland (Holdings) Limited	United Kingdom	Ordinary shares	100%	100%

## **Priory Investments Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **7 Investments in subsidiaries, joint ventures and associates (continued)**

The principal activity of Priory Health No 1 Limited is to act as a holding company.

The principal activity of Craegmoor Group Limited is to act as a holding company.

The principal activity of Priory Healthcare Holdings Limited is to act as a holding company.

The principal activity of Medical Imaging (Essex) Limited is non trading.

The principal activity of Nottcor 6 Limited is non trading.

The principal activity of Priory Pension Trustee Limited is to act as a trustee company.

The principal activity of Priory Healthcare Investments Trustee Limited is to act as an investment trustee company.

The principal activity of Priory Holdings Company No 1 Limited is to act as a holding company.

The principal activity of Priory New Investments Limited is to act as a holding company.

The principal activity of Priory Services for Young People (IOM) Limited is non trading.

The principal activity of Priory Health No 2 Limited is to act as holding company.

The principal activity of Priory Healthcare Investments Limited is to act as a holding company.

The principal activity of Priory Finance Company Limited is financing.

The principal activity of Priory Finance Property Holdings No. 1 Limited is non trading.

The principal activity of Priory Finance Property Holdings No. 2 Limited is non trading.

The principal activity of Coxlease Holdings Limited is non trading.

The principal activity of Coxlease School Limited is non trading.

The principal activity of Priory Healthcare Finance Co Limited is non trading.

The principal activity of Priory Group Limited is non trading.

The principal activity of Priory Securitisation Holdings Limited is non trading.

The principal activity of Priory Behavioural Health Limited is non trading.

The principal activity of Employee Management Services Limited is non trading.

The principal activity of Sturt House Clinic Limited is non trading.

The principal activity of Fanplate Limited is non trading.

The principal activity of Priory Securitisation Limited is non trading.

The principal activity of Priory Grange (Holdings) Limited is non trading.

The principal activity of Priory Old Acute Services Limited is non trading.

The principal activity of Priory Old Grange Services Limited is non trading.

The principal activity of Priory Old Forensic Services Limited is non trading.

The principal activity of Priory Old Schools Services Limited is non trading.

The principal activity of Libra Health Limited is non trading.

The principal activity of Jacques Hall Limited is non trading.

The principal activity of Robinson Kay House (Bury) Limited is non trading.

The principal activity of Farleigh Schools Limited is non trading.

# **Priory Investments Holdings Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

### **7 Investments in subsidiaries, joint ventures and associates (continued)**

The principal activity of Chelfham Senior School Limited is non trading.

The principal activity of Autism (GB) Limited is non trading

The principal activity of Solutions (Llangarron) Limited is non trading

The principal activity of Priory Holdings Company No 2 Limited is to act as a holding company

The principal activity of Cockermouth Propco Limited is property development

The principal activity of Fulford Grange Medical Centre Limited is non trading

The principal activity of Priory Holdings Company No 3 Limited is to act as a holding company

The principal activity of Priory Healthcare Limited is specialist healthcare

The principal activity of Priory Rehabilitation Services Limited is brain injury rehabilitation services

The principal activity of Priory Education Services Limited is schools for children with special needs

The principal activity of Priory Central Services Limited is management services

The principal activity of Velocity Healthcare Limited is specialist healthcare

The principal activity of Renova LLP is non trading

The principal activity of Priory (Thetford 1) Limited is non trading

The principal activity of Priory (Thetford 2) Limited is non trading

The principal activity of Thetford Trustee LLP is non trading

The principal activity of Castlecure Group Limited is non trading.

The principal activity of Castlecure Holdings Limited is non trading.

The principal activity of Castle Homes Care Limited is children's care homes.

The principal activity of Castle Homes Limited is children's care homes.

The principal activity of Quantum Care (UK) Limited is children's care homes.

The principal activity of Castlecure Cymru Limited is children's care homes.

The principal activity of Castlecure Education Limited is specialist education services.

The principal activity of Rothcare Estates Limited is a property company.

The principal activity of C O Developments Limited is property development.

The principal activity of Priory Care Homes Holdings Limited is non trading.

The principal activity of Helden Homes Limited is rehabilitation services.

The principal activity of Priory New Investments No. 2 Limited is to act as a holding company.

The principal activity of Priory Investments No. 3 Limited is to act as a holding company.

The principal activity of Affinity Healthcare Holdings Limited is to act as a holding company.

The principal activity of Priory New Education Services Limited is specialist education services.

The principal activity of Priory (Troup House) Limited is specialist education services.

The principal activity of Dunhall Property Limited is non trading.

The principal activity of Affinity Healthcare Limited is to act as a holding company.

## **Priory Investments Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **7 Investments in subsidiaries, joint ventures and associates (continued)**

The principal activity of Affinity Hospitals Holdings Limited is to act as a holding company.

The principal activity of Affinity Hospitals Group Limited is to act as a holding company..

The principal activity of Affinity Hospitals Limited is to act as a holding company.

The principal activity of Cheadle Royal Healthcare Limited is private healthcare.

The principal activity of Middleton St George Healthcare Limited is private healthcare.

The principal activity of Cheadle Royal Residential Services Limited is non trading.

The principal activity of Craegmoor Group (No.1) Limited is to act as a holding company.

The principal activity of Craegmoor Group (No.2) Limited is to act as a holding company.

The principal activity of Craegmoor Group (No.3) Limited is to act as a holding company.

The principal activity of Amore Group (Holdings) Limited is to act as a holding company.

The principal activity of Craegmoor Group (No.5) Limited is to act as a holding company.

The principal activity of Craegmoor Group (No.6) Limited is to act as a holding company.

The principal activity of Craegmoor Limited is to act as a holding company.

The principal activity of Amore Care Holdings Limited is to act as a holding company.

The principal activity of Craegmoor Facilities Company Limited is the supply of services.

The principal activity of Craegmoor Hospitals (Holdings) Limited is to act as a holding company.

The principal activity of Craegmoor Learning (Holdings) Limited is to act as a holding company.

The principal activity of Craegmoor Care (Holdings) Limited is to act as a holding company.

The principal activity of Speciality Care Limited is to act as a holding company.

The principal activity of Craegmoor (Harbour Care) Limited is to act as a holding company.

The principal activity of Harbour Care (UK) Limited is care delivery.

The principal activity of Speciality Care (Rest Homes) Limited is care delivery.

The principal activity of Strathmore College Limited is care delivery.

The principal activity of Speciality Care (Medicare) Limited is to act as a holding company.

The principal activity of Specialised Courses Offering Purposeful Education Limited is care delivery.

The principal activity of Burnside Care Limited is care delivery.

The principal activity of Craegmoor Healthcare Company Limited is non trading.

The principal activity of Craegmoor Supporting You Limited is care delivery.

The principal activity of Greymount Properties Limited is care delivery.

The principal activity of Parkcare Homes (No. 2) Limited is care delivery.

The principal activity of Autism TASCC Services Limited is care delivery.

The principal activity of Cotswold Care Services Limited is care delivery.

The principal activity of Craegmoor Holdings Limited is care delivery.

The principal activity of Craegmoor Homes Limited is care delivery.

## **Priory Investments Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **7 Investments in subsidiaries, joint ventures and associates (continued)**

The principal activity of J C Care Limited is care delivery.

The principal activity of Johnston Care Limited is care delivery.

The principal activity of Lambs Support Services Limited is care delivery.

The principal activity of Positive Living Limited is care delivery.

The principal activity of Sapphire Care Services Limited is care delivery.

The principal activity of Treehome Limited is care delivery.

The principal activity of Grovedraft Limited is non trading.

The principal activity of Peninsula Autism Services and Support Limited is care delivery.

The principal activity of High Quality Lifestyles Limited is care delivery.

The principal activity of New Directions (Hastings) Limited is care delivery.

The principal activity of New Directions (Bexhill) Limited is care delivery.

The principal activity of New Directions (Robertsbridge) Limited is care delivery.

The principal activity of New Directions (St. Leonards on Sea) Limited is care delivery.

The principal activity of Lansdowne Road Limited is care delivery.

The principal activity of Lothlorien Community Limited is care delivery.

The principal activity of R. J. Homes Limited is care delivery.

The principal activity of Heddfan Care Limited is care delivery.

The principal activity of Strathmore Care Services Limited is care delivery.

The principal activity of Conquest Care Homes (Norfolk) Limited is care delivery.

The principal activity of Conquest Care Homes (Peterborough) Limited is care delivery.

The principal activity of Conquest Care Homes (Soham) Limited is care delivery.

The principal activity of Ferguson Care Limited is care delivery.

The principal activity of Speciality Care (Learning Disabilities) Limited is care delivery.

The principal activity of Speciality Care (Rehab) Limited is care delivery.

The principal activity of Amore (Prestwick) Limited is Elderly care services.

The principal activity of Amore Elderly Care Holdings Limited is elderly care services.

The principal activity of Amore Elderly Care (Wednesfield) Limited is elderly care services.

The principal activity of Amore (Ben Madigan) Limited is elderly care services.

The principal activity of Amore (Warrenpoint) Limited is elderly care services.

The principal activity of Amore (Watton) Limited is elderly care services.

The principal activity of Amore Care Limited is elderly care services.

The principal activity of Speciality Healthcare Limited is elderly care services.

The principal activity of Health & Care Services (NW) Limited is elderly care services.

The principal activity of Speciality Care (Addison Court) Limited is elderly care services.

## **Priory Investments Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **7 Investments in subsidiaries, joint ventures and associates (continued)**

The principal activity of Speciality Care (EMI) Limited is elderly care services.

The principal activity of Speciality Care (UK Lease Homes) Limited is elderly care services.

The principal activity of Parkcare Homes Limited is elderly care services.

*The principal activity of Health & Care Services (UK) Limited is elderly care services.*

The principal activity of Amore (Stoke 1) Limited is elderly care services.

The principal activity of Amore (Wednesfield 1) Limited is elderly care services.

The principal activity of S P Cockermouth Limited is elderly care services.

The principal activity of Amore (Coventry) Limited is elderly care services.

The principal activity of Yorkshire Parkcare Company Limited is elderly care services.

The principal activity of Speciality Care (Rest Care) Limited is non trading.

The principal activity of Amore (Bourne) Limited is non trading.

The principal activity of Amore (Cockermouth) Limited is non trading.

The principal activity of Amore (Ings Road) Limited is non trading.

The principal activity of Amore Elderly Care Limited is elderly care services.

The principal activity of Amore (Stoke 2) Limited is non trading.

The principal activity of Amore (Wednesfield 2) Limited is non trading.

The principal activity of Wednesfield 3 Limited is non trading.

The principal activity of Stoke Trustee (No 2) LLP is non trading.

*The principal activity of Wednesfield Trustee LLP is non trading.*

The principal activity of Wednesfield Trustee (No 2) LLP is non trading.

*The principal activity of Stoke Trustee LLP is non trading.*

The principal activity of Priory Finance Property LLP is to hold and lease properties.

The principal activity of Life Works Community Limited is specialist healthcare.

The principal activity of Progress Care (Holdings) Limited is to act as a holding company.

The principal activity of Progress Care and Education Limited is children's care homes.

The principal activity of Progress Adult Services Limited is care delivery.

The principal activity of Aspire Scotland Limited is children's care and education.

The principal activity of Galaxy Cafe Limited is children's care and education.

The principal activity of Galaxy UK Leisure Limited is children's care and education.

The principal activity of Aspire Scotland (Holdings) Limited is to act as a holding company.

# Priory Investments Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

### 8 Debtors

	<b>2019</b> <b>£ 000</b>	<b>2018</b> <b>£ 000</b>
Amounts owed by related parties	<u>1,559,210</u>	<u>1,559,210</u>
Total current trade and other debtors	<u><u>1,559,210</u></u>	<u><u>1,559,210</u></u>

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

### 9 Creditors

	<b>Note</b>	<b>2019</b> <b>£ 000</b>	<b>2018</b> <b>£ 000</b>
<b>Due within one year</b>			
Amounts due to related parties		415,894	368,251
Income tax liability	6	<u>14,037</u>	<u>24,837</u>
		<u><u>429,931</u></u>	<u><u>393,088</u></u>
<b>Due after one year</b>			
Loans and borrowings	11	<u><u>15,638</u></u>	<u><u>15,638</u></u>

Amounts due to related parties includes £207,867,000 (2018: £185,595,000) of loan notes, PIK notes and accrued interest. The loan notes and PIK notes bear interest at 12% per annum and are unsecured. Other amounts due to related parties are unsecured, non-interest bearing and repayable on demand.

## Priory Investments Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 10 Share capital

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

	No. 000	2019 £ 000	No. 000	2018 £ 000
Ordinary shares of £1 each	<u>409,544</u>	<u>409,544</u>	<u>409,544</u>	<u>409,544</u>

#### 11 Loans and borrowings

	2019 £ 000	2018 £ 000
<b>Non-current loans and borrowings</b>		
Amounts owed to group undertakings	<u>15,638</u>	<u>15,638</u>

Amounts owed to group undertakings are unsecured, bear interest at LIBOR plus 2.25% per annum and are payable 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 and accordingly these amounts have been shown as amounts falling due after more than one year.

#### 12 Parent and ultimate parent undertaking

The company's immediate parent is Priory Group No. 3 Limited, incorporated in the United Kingdom.

The ultimate parent is Acadia Healthcare Company Inc., incorporated in the US.

##### Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Acadia Healthcare Company Inc., incorporated in United States of America.

The address of Acadia Healthcare Company Inc. is:  
830 Crescent Centre Drive, Suite 610, Franklin, TN 37067, United States of America.

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.

## **Priory Investments Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **13 Non adjusting events after the financial period**

##### **COVID-19**

The evolving situation regarding the COVID-19 outbreak is regarded by the company as a disclosable event occurring after the reporting date but prior to the issuance of these financial statements. The company has determined that COVID-19 is a non-adjusting post balance sheet event as at 31 December 2019 on the basis that at that date the World Health Organisation had not declared a global health emergency, and there was no significant known presence of the virus outside China, a territory with minimal direct involvement with the company.

As a non-adjusting event, no adjustment to the financial performance or position for the year has been made.

The impact of COVID-19 on the profitability, financial position and solvency of Priory Group UK 1 Limited, which include this company, is discussed in the group's financial statements which do not form part of this report.

The directors' report sets out the considerations made by the company in determining that the going concern basis of preparation remains appropriate.