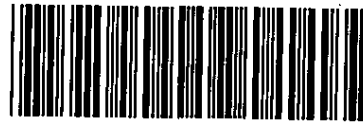


Priory (Troup House) Limited  
Annual report and financial statements  
for the year ended 31 December 2013

Registered number: SC287396

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Priory (Troup House) Limited  
Annual report and financial statements  
for the year ended 31 December 2013  
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# **Priory (Troup House) Limited**

## **Strategic report for the year ended 31 December 2013**

The directors present their strategic report on Priory (Troup House) Limited for the year ended 31 December 2013.

### **Principal activities and review of business**

The principal activity of the company is the provision of specialist education and care for children with learning and behavioural difficulties.

The results for the year are set out in the profit and loss account on page 7 and the position of the company as at the year end is set out in the balance sheet on page 8.

As the company is focussed on the education 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 education, 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. Gross profit margins have decreased from 2.7% in 2012 to (3.3%) in 2013.

During the year, a charge of £nil (2012: £2,000) was recognised in respect of operating exceptional items as noted in note 2.

The company's management is committed to a continued growth strategy.

The directors do not consider there to be a material difference between the net book value of land and buildings and their market value.

### **Future developments**

The future developments of the company are aligned to the strategy of the Priory Group, headed by Priory Group No. 1 Limited. The group's strategy for the future development of the business is included in the group's annual report, which does not form part of this report.

### **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 include the company, are discussed in the group's annual report which does not form part of this report.

### **Financial risk management**

The company's operations mean that it is exposed to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The directors monitor the risks in order to limit the adverse effects on the financial performance by reviewing levels of debt finance and the related finance costs, however these are integrated with the risks of the group and not managed separately. Accordingly, the financial risk management policies of Priory Group No. 1 Limited, which include those of the company, are discussed in the group's annual report which does not form part of this report.

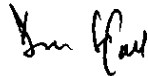
# **Priory (Troup House) Limited**

## **Strategic report for the year ended 31 December 2013 (continued)**

### **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.

By order of the board



David Hall

**Company Secretary**

19 September 2014

# **Priory (Troup House) Limited**

## **Directors' report for the year ended 31 December 2013**

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

### **Going concern**

The ultimate parent company, Priory Group No. 1 Limited, has confirmed that it will continue to provide financial support to the company for the foreseeable future and for at least 12 months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on the going concern basis.

### **Dividends**

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

### **Directors**

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

H Sharpe

D Hall

T Riall (appointed 5 April 2013)

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 education 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.

### **Future developments**

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

### **Independent auditors**

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

# Priory (Troup House) Limited

## Directors' report for the year ended 31 December 2013 (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 strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



David Hall  
Company Secretary  
19 September 2014

38-40 Mansionhouse Road  
Glasgow  
Scotland  
GA1 3DW

# **Priory (Troup House) Limited**

## **Independent auditors' report to the members of Priory (Troup House) Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

#### **What we have audited**

The financial statements, which are prepared by Priory (Troup House) Limited, comprise:

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

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

# **Priory (Troup House) Limited**

## **Independent auditors' report to the members of Priory (Troup House) Limited (continued)**

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

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

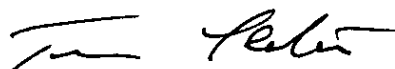
### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



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



## Priory (Troup House) Limited

### Profit and loss account for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
<b>Turnover</b>	1	<b>1,554</b>	1,802
Cost of sales		<b>(1,606)</b>	(1,753)
<b>Gross (loss)/profit</b>		<b>(52)</b>	49
Administrative expenses (including operating exceptional costs of £nil (2012: £2,000))		<b>(8)</b>	(18)
<b>Operating (loss)/profit</b>		<b>(60)</b>	31
Interest payable and similar charges	5	<b>(14)</b>	(16)
<b>(Loss)/profit on ordinary activities before taxation</b>	2	<b>(74)</b>	15
Tax on (loss)/profit on ordinary activities	6	<b>16</b>	(3)
<b>(Loss)/profit for the financial year</b>	13	<b>(58)</b>	12

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

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

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

# Priory (Troup House) Limited

## Balance sheet as at 31 December 2013

	Note	2013 £'000	2012 £'000
<b>Fixed assets</b>			
Tangible assets	7	1,194	1,251
<b>Current assets</b>			
Debtors	8	10	14
Cash at bank and in hand		7	9
		17	23
<b>Creditors: amounts falling due within one year</b>	9	(709)	(692)
<b>Net current liabilities</b>		(692)	(669)
<b>Total assets less current liabilities</b>		502	582
<b>Creditors: amounts falling due after more than one year</b>	10	(368)	(383)
<b>Provisions for liabilities</b>	11	(6)	(13)
<b>Net assets</b>		128	186
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account	13	128	186
<b>Total shareholders' funds</b>	14	128	186

The financial statements on pages 7 to 19 were approved by the board of directors on 19 September 2014 and were signed on its behalf by:



David Hall

Director

Registered number: SC287396

# Priory (Troup House) 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, Companies Act 2006 and under the historical cost accounting rules.

The ultimate parent company, Priory Group No. 1 Limited, has confirmed that it will continue to provide financial support to the company for the foreseeable future and for at least 12 months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on the going concern basis.

Under Financial Reporting Standard 1 'Cash flow statements' (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own publicly available consolidated financial statements.

As the company is a wholly owned subsidiary of Priory Group No. 1 Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group.

### **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 property	- 50 years
Motor vehicles	- over the shorter of the lease and 4 years
Fixtures and fittings	- 3 – 16 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.

### **Leases and hire purchase**

Assets acquired under hire purchase contracts and finance leases are capitalised at cost and depreciated over the shorter of the term of the lease and the useful lives for tangible assets set out above. The capital element of future rentals is included under creditors. Interest is charged to the profit and loss account over the period of the lease in proportion to the balance of the capital payments outstanding. Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

# **Priory (Troup House) Limited**

## **Statement of accounting policies (continued)**

### **Post-retirement benefits**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

### **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 service is provided. Revenue in respect of services provided but not yet invoiced by the period end is included within accrued income.

# Priory (Troup House) Limited

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

### 1 Turnover

The company's turnover, loss on ordinary activities before taxation and net assets arise primarily from its principal activity of the provision of specialist education and care for children with learning and behavioural difficulties.

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

### 2 (Loss)/profit on ordinary activities before taxation

(Loss)/profit on ordinary activities before taxation is stated after charging:

	2013 £'000	2012 £'000
Depreciation and other amounts written off tangible assets:		
Owned	78	71
Leased	24	34
Operating exceptional items:		
Re-organisation and rationalisation costs	-	2
Rentals under operating leases:		
Other operating leases	8	8

The re-organisation and rationalisation costs of £2,000 incurred in the prior year primarily related to employee redundancy payments made as the company re-organised and streamlined its operations.

The remuneration of the auditors of £500 (2012: £500) 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.

# Priory (Troup House) Limited

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

### 4 Staff numbers and costs

The average monthly number of persons employed by the company during the year, analysed by category, was as follows:

	2013 Number	2012 Number
By activity:		
Teachers and social workers	45	45
Administrative staff	5	7
	50	52

The aggregate payroll costs of these persons were as follows:

	2013 £'000	2012 £'000
Wages and salaries	1,144	1,143
Social security costs	90	99
Other pension costs (note 16)	23	24
	1,257	1,266

### 5 Interest payable and similar charges

	2013 £'000	2012 £'000
On finance leases and hire purchase contracts	2	3
On loans from group undertakings	12	13
	14	16

# Priory (Troup House) Limited

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

### 6 Tax on (loss)/profit on ordinary activities

	2013 £'000	2012 £'000
UK corporation tax:		
Current tax (credit)/charge arising in the year	(8)	14
Adjustments in respect of prior years	(1)	-
<b>Total current tax (credit)/charge</b>	<b>(9)</b>	<b>14</b>
Deferred tax:		
Origination and reversal of timing differences	(6)	(9)
Adjustments in respect of prior years	1	-
Effect of tax rate change on opening balances	(2)	(2)
<b>Total deferred tax credit</b>	<b>(7)</b>	<b>(11)</b>
<b>Total tax (credit)/charge</b>	<b>(16)</b>	<b>3</b>

The current tax credit of £9,000 (2012: £14,000 charge) on results for the year has been relieved by the surrender of losses to/by other group companies in exchange for payment of the same amount.

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

	2013 £'000	2012 £'000
(Loss)/profit on ordinary activities before taxation	(74)	15
Tax on (loss)/profit on ordinary activities at standard rate	(17)	4
Factors affecting charge for the year:		
Depreciation in excess of capital allowances	7	10
Depreciation of non-qualifying assets	14	14
Transfer pricing adjustments	(12)	(14)
Adjustments in respect of prior years	(1)	-
<b>Total current tax (credit)/charge for the year</b>	<b>(9)</b>	<b>14</b>

# Priory (Troup House) Limited

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

### 6 Tax on (loss)/profit on ordinary activities (continued)

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

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

### 7 Tangible assets

	Freehold property £'000	Assets under construction £'000	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>					
At 1 January 2013	733	7	132	650	1,522
Additions	-	-	-	45	45
Transfers	-	(7)	-	7	-
<b>At 31 December 2013</b>	<b>733</b>	<b>-</b>	<b>132</b>	<b>702</b>	<b>1,567</b>
<b>Accumulated</b>					
At 1 January 2013	23	-	81	167	271
Charge for the year	15	-	24	63	102
<b>At 31 December 2013</b>	<b>38</b>	<b>-</b>	<b>105</b>	<b>230</b>	<b>373</b>
<b>Net book amount</b>					
<b>At 31 December 2013</b>	<b>695</b>	<b>-</b>	<b>27</b>	<b>472</b>	<b>1,194</b>
At 31 December 2012	710	7	51	483	1,251



## Priory (Troup House) Limited

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

#### 7 Tangible assets (continued)

The net book value of assets held under finance leases or hire purchase contracts included within tangible assets was as follows:

	2013	2012
	£'000	£'000
Motor vehicles	27	51

#### 8 Debtors

	2013	2012
	£'000	£'000
Trade debtors	-	6
Other debtors	1	1
Prepayments and accrued income	-	7
Group relief recoverable	9	-
	10	14

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

	2013	2012
	£'000	£'000
Amounts owed to group undertakings	497	525
Obligations under finance lease and hire purchase contracts (note 10)	15	15
Group relief payable	-	14
Taxation and social security	26	29
Other creditors	34	16
Accruals and deferred income	137	93
	709	692

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

## Priory (Troup House) Limited

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

#### 10 Creditors: amounts falling due after more than one year

	2013	2012
	£'000	£'000
Amounts owed to group undertakings	351	351
Obligations under finance leases and hire purchase contracts	17	32
	368	383

Obligations under finance leases and hire purchase contracts are payable as follows:

	2013	2012
	£'000	£'000
Within one year	15	15
In more than one year, but not more than five years	17	32
	32	47

Amounts owed to group undertakings are unsecured, bear interest at December 2012 LIBOR plus 2.25% per annum and are payable on demand. It is not expected that the demand would be made or that these amounts will be paid within one year and accordingly these amounts have been shown as amounts falling due after more than one year.

#### 11 Provisions for liabilities

	£'000
Deferred tax:	
At 1 January 2013	13
Credit for the year	(7)
At 31 December 2013	6

## Priory (Troup House) Limited

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

#### 11 Provisions for liabilities (continued)

Deferred tax arises on the following timing differences:

	2013	2012
	£'000	£'000
Accelerated capital allowances	6	13

#### 12 Called up share capital

	2013	2012
	£	£
<b>Authorised</b>		
1,000 (2012: 1,000) ordinary shares of £1 each	1,000	1,000
<b>Allotted, called-up and fully paid</b>		
100 (2012: 100) ordinary shares of £1 each	100	100

#### 13 Profit and loss account

	£'000
At 1 January 2013	186
Loss for the financial year	(58)
<b>At 31 December 2013</b>	<b>128</b>

## Priory (Troup House) Limited

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

#### 14 Reconciliation of movements in shareholders' funds

	2013	2012
	£'000	£'000
(Loss)/profit for the financial year	(58)	12
Net (reduction)/addition to shareholders' funds	(58)	12
Opening shareholders' funds	186	174
Closing shareholders' funds	128	186

#### 15 Commitments

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

	2013	2012
	£'000	£'000
Contracted	13	3

Annual commitments under non-cancellable operating leases are as follows:

	2013	2012
	Other	Other
	£'000	£'000
Operating leases which expire:		
Within one year	2	-
In the second to fifth years inclusive	-	2
	2	2

#### 16 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £23,000 (2012: £24,000).

At 31 December 2013, there were outstanding contributions of £4,000 (2012: £3,000).

## **Priory (Troup House) Limited**

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

#### **17 Ultimate parent company and controlling party**

The company's immediate parent company, which is incorporated in the United Kingdom, is Priory New Education Services Limited.

The ultimate parent undertaking and controlling party is Priory Group No. 1 Limited, a company incorporated in England. Priory Group No. 1 Limited is beneficially owned by funds managed by Advent International Corporation which is considered by the directors to be the ultimate controlling party of the company.

Priory Group No. 1 Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2013. Priory Group No. 3 PLC is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2013. The consolidated financial statements of Priory Group No. 1 Limited and Priory Group No. 3 PLC can be obtained from the Company Secretary at 80 Hammersmith Road, London, W14 8UD.