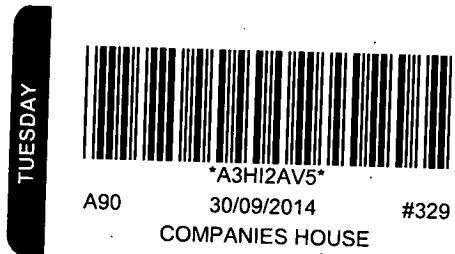


Conquest Care Homes (Peterborough) Limited
Annual report and financial statements
for the year ended 31 December 2013

Registered number: 2706124



Conquest Care Homes (Peterborough) Limited
Annual report and financial statements
for the year ended 31 December 2013

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Conquest Care Homes (Peterborough) Limited

Strategic report for the year ended 31 December 2013

The directors present their strategic report on Conquest Care Homes (Peterborough) Limited for the year ended 31 December 2013.

Principal activities and review of business

The principal activity of the company continues to be care delivery. 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 healthcare, changes in the regulatory regime and competitive threats from other independent providers. Management uses a range of financial and non-financial indicators to manage the business. These are derived from all areas of the business and include sales growth by unit, occupancy and profit margins achieved. Operating profit margins have decreased from 24.0% in 2012 to 18.8% in 2013.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of Priory Group No. 1 Limited, which includes the company, are discussed in the group's annual report which does not form part of this report.

Financial risk management

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

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Priory Group No. 1 Limited, which include those of the company, are discussed in the group's annual report which does not form part of this report.

Future developments

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

By order of the board



David Hall

Company Secretary

19 September 2014

Conquest Care Homes (Peterborough) Limited

Directors' report for the year ended 31 December 2013

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

Dividends

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

Directors

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

Jason Lock

Matthew Franzidis

Tom Riall (appointed 5 April 2013)

Changes in tangible assets

The movements in tangible assets during the year are set out in note 7 to the financial statements. The directors believe there is no significant difference between the market value and the balance sheet value of land.

Employees

The directors recognise that the continued position of the company in the healthcare sector depends on the quality and motivation of its employees and as such the company is committed to pursue employment policies, which will continue to attract, retain and motivate its employees.

Good and effective employee communications are particularly important, and throughout the business it is the directors' policy to promote the understanding by all employees of the company's business aims and performance. This is achieved through internal publications, presentations on performance and a variety of other approaches appropriate for a particular location. Employees are consulted on issues through workshops, which are run regularly across the group.

The directors believe that it is important to recruit and retain capable and caring staff regardless of their sex, marital status, race or religion. It is the company's policy to give full and fair consideration to applications for employment from people who are disabled, to continue wherever possible the employment of and to arrange appropriate training for, employees who become disabled and to provide equal opportunities for the career development, training and promotion of disabled employees.

Independent auditors

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

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.

Conquest Care Homes (Peterborough) Limited

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

Future developments

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

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 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.

By order of the board



David Hall
Company Secretary
19 September 2014

80 Hammersmith Road
London
England
W14 8UD

Conquest Care Homes (Peterborough) Limited

Independent auditors' report to the members of Conquest Care Homes (Peterborough) 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 profit 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 Conquest Care Homes (Peterborough) Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year end 31 December 2013;
- the note of historical cost profits and losses 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.

Conquest Care Homes (Peterborough) Limited

Independent auditors' report to the members of Conquest Care Homes (Peterborough) 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.

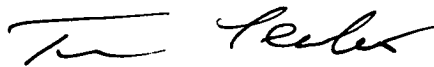
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of director's responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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



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

Conquest Care Homes (Peterborough) Limited

Profit and loss account for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Turnover	1	3,173	3,194
Cost of sales		(2,453)	(2,327)
Gross profit		720	867
Administrative expenses		(123)	(99)
Operating profit		597	768
Interest payable and similar charges	5	(9)	(4)
Profit on ordinary activities before taxation	2	588	764
Tax on profit on ordinary activities	6	(228)	(323)
Profit for the financial year	13	360	441

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

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

Conquest Care Homes (Peterborough) Limited

Note of historical cost profits and losses for the year ended 31 December 2013

	2013	2012
	£'000	£'000
Reported profit on ordinary activities before taxation	588	764
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	39	39
Historical cost profit for the year before taxation	627	803
Historical cost profit for the financial year	399	480

Conquest Care Homes (Peterborough) Limited

Balance sheet as at 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	7	8,288	8,755
Current assets			
Debtors	8	3,386	3,097
Assets held for sale	9	507	-
Cash at bank and in hand		32	30
		3,925	3,127
Creditors: amounts falling due within one year	10	(553)	(589)
Net current assets		3,372	2,538
Total assets less current liabilities		11,660	11,293
Creditors: amounts falling due after more than one year	11	(1,220)	(1,213)
Net assets		10,440	10,080
Capital and reserves			
Called up share capital	12	-	-
Share premium account	13	228	228
Revaluation reserve	13	5,089	5,128
Profit and loss account	13	5,123	4,724
Total shareholders' funds	14	10,440	10,080

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



Jason Lock
Director

Registered number: 2706124

Conquest Care Homes (Peterborough) 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 on the going concern basis in accordance with applicable UK accounting standards, the Companies Act 2006 and under the historical cost convention, as modified by the revaluation of certain tangible assets.

In the prior year Conquest Care Homes (Peterborough) Limited was subject to a facilities agreement with a fellow group company Craegmoor Facilities Company Limited whereby all costs of sales were borne by Craegmoor Facilities Company Limited and recharged as a management charge in the year.

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

The cost of tangible assets is their purchase cost, and any costs directly attributable to bringing them into working condition for their intended use. Land and buildings are revalued by independent, professionally qualified valuers at least every five years. These valuations are carried out on an existing use, open market value basis, and in the intervening years are updated by the directors with the assistance of independent professional advice as required.

Increases in the revalued amounts of land and buildings are credited to revaluation reserves.

Freehold land is not depreciated. Subsequent to a revaluation, depreciation is based on revalued amounts. Depreciation on tangible assets, other than land, is calculated to write off their cost, less estimated residual values, by equal annual instalments on the following bases:

Freehold buildings	-	over 50 years
Furniture and fittings	-	over 3, 5 or 10 years
Motor vehicles	-	over the shorter of the lease term and 4 years

Provision is made for any impairment in the period in which it arises. The impairment is calculated by comparing the carrying value to the recoverable amount as required by FRS 11, 'Impairment of fixed assets and goodwill'. The recoverable amount of land and buildings is taken to be the higher of realisable value and value in use. Value in use is determined by reference to the expected future cash flows of the care home, discounted at a risk weighted cost of capital determined from time to time based on the capital structure of the group. Realisable value is determined by independent, professional valuers on an existing use, open market value basis.

Conquest Care Homes (Peterborough) Limited

Statement of accounting policies (continued)

Tangible assets and depreciation (continued)

Provisions for impairment in the carrying value of land and buildings are charged against revaluation reserves in the balance sheet to the extent that they relate to a reversal of prior increases. Impairments to below historical cost are charged to the profit and loss account. Reversals of previous impairments are credited to the profit and loss account to the extent that they return the asset carrying value to its depreciated historical cost, with any amount over and above that being credited to the revaluation reserve.

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.

Leases

Assets acquired under 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.

Conquest Care Homes (Peterborough) Limited

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

1 Turnover

The company's turnover, profit on ordinary activities before taxation and net assets arise primarily from its principal activity of care delivery.

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

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2013	2012
	£'000	£'000
Depreciation of tangible assets:		
Owned	226	223
Leased	36	10
Management charges from fellow subsidiary	123	99

The remuneration of the auditors of £1,000 (2012: £1,000) was borne by another group undertaking.

3 Remuneration of directors

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

Conquest Care Homes (Peterborough) 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 (including directors) during the year, analysed by activity, was as follows:

	2013	2012
	Number	Number
Analysis by activity:		
Nursing	103	112
Ancillary	9	10
Administrative	5	1
	117	123

The aggregate payroll costs of these persons were as follows:

	2013	2012
	£'000	£'000
Wages and salaries	1,630	1,549
Social security costs	99	98
Other pension costs (note 16)	8	1
	1,737	1,648

5 Interest payable and similar charges

	2013	2012
	£'000	£'000
On finance leases and hire purchase contracts	9	4

Conquest Care Homes (Peterborough) Limited

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

6 Tax on profit on ordinary activities

	2013	2012
	£'000	£'000
UK corporation tax:		
Current tax charge arising in the year	231	306
Adjustment in respect of prior years	1	(3)
Total current tax charge	232	303
Deferred tax:		
Origination and reversal of timing differences	(4)	18
Adjustment in respect of prior years	(1)	-
Effect of tax rate change on opening balance	1	2
Total deferred tax	(4)	20
Total tax charge	228	323

The current tax charge of £232,000 (2012: £303,000) on the profit for the year has been relieved by the surrender of losses 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 charge for the year is higher (2012: higher) than the standard rate for the reasons set out in the following reconciliation:

	2013	2012
	£'000	£'000
Profit on ordinary activities before taxation	588	764
Tax on profit on ordinary activities at standard rate	137	187
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	47	64
Capital allowances for the year less than depreciation	5	(19)
Transfer pricing adjustments	42	74
Adjustment in respect of prior years	1	(3)
Total current tax charge for the year	232	303

Conquest Care Homes (Peterborough) Limited

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

6 Tax on 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%.

No provision has been made for deferred taxation on gains recognised on revaluing property to its market value. Such tax would become payable only if the property was sold without it being possible to claim rollover relief or utilise available losses. The total amount unprovided for at 20% is £824,000 (2012: £980,000 at 23%).

7 Tangible assets

	Freehold land and buildings £'000	Furniture and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 January 2013	7,783	2,338	87	10,208
Additions	8	221	70	299
Transfers to current assets (note 9)	(545)	(127)	-	(672)
At 31 December 2013	7,246	2,432	157	9,835
Accumulated depreciation				
At 1 January 2013	515	926	12	1,453
Charge for the year	65	161	36	262
Transfers to current assets (note 9)	(114)	(54)	-	(168)
At 31 December 2013	466	1,033	48	1,547
Net book amount				
At 31 December 2013	6,780	1,399	109	8,288
At 31 December 2012	7,268	1,412	75	8,755

Conquest Care Homes (Peterborough) Limited

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

7 Tangible assets (continued)

All motor vehicles are held under finance leases.

The Craegmoor Group was acquired by the Priory Group on 14 April 2011. On this date the land and buildings were valued by external valuers Knight Frank on the basis of existing value in use in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors.

In accordance with accounting requirements the entire portfolio will be re-valued every five years, the next valuation being 14 April 2016, together with interim valuations every three years.

If land and buildings had not been revalued they would have been included at the following amounts (including assets held for sale):

	2013	2012
	£'000	£'000
Cost	2,519	2,511
Aggregate depreciation	(397)	(371)
Net book value	2,122	2,140

8 Debtors

	2013	2012
	£'000	£'000
Trade debtors	47	131
Amounts owed by group undertakings	3,328	2,959
Deferred tax asset	11	7
	3,386	3,097

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

Conquest Care Homes (Peterborough) Limited

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

8 Debtors (continued)

	£'000
Deferred tax:	
As at 1 January 2013	7
Credited to the profit and loss account	4
As at 31 December 2013	11

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

	2013	2012
	£'000	£'000
Accelerated capital allowances	11	7

9 Assets held for sale

	Freehold land and buildings	Furniture and fittings	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 January 2013	-	-	-
Additions	-	3	3
Transfers from fixed assets (note 7)	545	127	672
At 31 December 2013	545	130	675
Accumulated depreciation			
At 1 January 2013			
Transfers from fixed assets (note 7)	114	54	168
At 31 December 2013	114	54	168
Net book amount			
At 31 December 2013	431	76	507
At 31 December 2012	-	-	-

Conquest Care Homes (Peterborough) Limited

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

10 Creditors: amounts falling due within one year

	2013	2012
	£'000	£'000
Group relief payable	232	303
Obligations under finance lease contracts (note 11)	38	22
Taxation and social security	33	31
Other creditors	3	6
Accruals and deferred income	247	227
	553	589

11 Creditors: amounts falling due after more than one year

	2013	2012
	£'000	£'000
Amounts owed to group undertakings	1,162	1,162
Obligations under finance lease contracts	58	51
	1,220	1,213

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. However, the relevant group undertaking has confirmed to the directors of the company that it will not seek repayment of this loan within twelve months after the year end.

Obligations under finance lease contracts are payable as follows:

	2013	2012
	£'000	£'000
Within one year	38	22
In more than one year but not more than five years	58	51
	96	73

Conquest Care Homes (Peterborough) Limited

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

12 Called up share capital

	2013	2012
	£	£
Authorised		
1,000 (2012: 1,000) ordinary shares of £1 each	1,000	1,000
Issued and fully paid		
204 (2012: 204) ordinary shares of £1 each	204	204

13 Reserves

	Share premium account	Revaluation reserve	Profit and loss account
	£'000	£'000	£'000
At 1 January 2013	228	5,128	4,724
Profit for the financial year	-	-	360
Transfer between reserves	-	(39)	39
At 31 December 2013	228	5,089	5,123

Transfer to profit and loss account relates to the difference between historic cost depreciation and the depreciation on revalued assets.

14 Reconciliation of movements in shareholders' funds

	2013	2012
	£'000	£'000
Profit for the financial year	360	441
Net addition to shareholders' funds	360	441
Opening shareholders' funds	10,080	9,639
Closing shareholders' funds	10,440	10,080

Conquest Care Homes (Peterborough) Limited

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

15 Commitments

At 31 December 2013 the company had capital commitments of £22,000 (2012: £7,000).

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 £8,000 (2012: £1,000).

As at 31 December 2013, there were outstanding contributions of £2,000 (2012: £nil).

17 Ultimate parent company and controlling party

The company's immediate parent company, which is incorporated in England, is Craegmoor Holdings 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.