

**Partnerships in Care 1 Limited**  
**Annual Report and Unaudited Financial Statements**  
**for the Year Ended 31 December 2017**  
**Registration number: 01833385**



## Partnerships in Care 1 Limited

### Strategic Report for the Year Ended 31 December 2017

The Directors present their strategic report for the year ended 31 December 2017.

#### **Principal activity**

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

#### **Fair review of the business**

The results for the year are set out in the profit and loss account on page 6 and the position of the company as at the year end is set out in the balance sheet on page 8.

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

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

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of Priory Group UK 1 Limited (formerly Partnerships in Care 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 (formerly Partnerships in Care 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 31 August 2018 and signed on its behalf by:



.....  
David Hall  
Company secretary

# Partnerships in Care 1 Limited

## Company Information

**Directors** Trevor Torrington

Nigel Myers

**Company secretary** David Hall

**Registered office** Fifth Floor  
80 Hammersmith Road  
London  
W14 8UD

## **Partnerships in Care 1 Limited**

### **Strategic Report for the Year Ended 31 December 2017**

The Directors present their strategic report for the year ended 31 December 2017.

#### **Principal activity**

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Approved by the Board on 31 August 2018 and signed on its behalf by:



.....  
David Hall  
Company secretary

# Partnerships in Care 1 Limited

## Directors' Report for the Year Ended 31 December 2017

The Directors present their report and the financial statements for the year ended 31 December 2017.

### **Directors of the Company**

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

Trevor Torrington

Nigel Myers

The directors do not recommend the payment of a final dividend (2016: £nil). No dividends were paid during the year (2016: £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 (formerly Partnerships in Care UK 1 Limited), which include those of the company, are discussed in the group's financial statements which do not form part of this report.

### **Employee involvement**

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

Good and effective employee communications are particularly important, and throughout the business it is the directors' policy to promote the understanding by 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.

### **Employment of disabled persons**

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

### **Future developments**

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

## Partnerships in Care 1 Limited

### Directors' Report for the Year Ended 31 December 2017 (continued)

#### Going concern

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

Approved by the Board on 31 August 2018 and signed on its behalf by:



.....  
David Hall  
Company secretary

## **Partnerships in Care 1 Limited**

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

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

## Partnerships in Care 1 Limited

### Profit and Loss Account for the Year Ended 31 December 2017

	Note	2017 £ 000	2016 £ 000
Turnover	3	16,631	18,664
Cost of sales		<u>(12,906)</u>	<u>(8,757)</u>
Gross profit		3,725	9,907
Administrative expenses		<u>(3,070)</u>	<u>(4,178)</u>
Operating profit	4	655	5,729
Interest payable and similar charges	5	<u>(4)</u>	<u>-</u>
Profit before tax		651	5,729
Taxation	8	<u>(704)</u>	<u>452</u>
(Loss)/profit for the financial year		<u><u>(53)</u></u>	<u><u>6,181</u></u>

The above results were derived from continuing operations.

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

## Partnerships in Care 1 Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2017

	Note	2017 £ 000	2016 £ 000
(Loss)/profit for the year		<u>(53)</u>	<u>6,181</u>
Total comprehensive income for the year		<u><u>(53)</u></u>	<u><u>6,181</u></u>

## Partnerships in Care 1 Limited

### (Registration number: 01833385) Balance Sheet as at 31 December 2017

	Note	2017 £ 000	2016 £ 000
<b>Fixed assets</b>			
Intangible assets	9	4,457	6,683
Tangible assets	10	19,819	19,602
Investments	11	<u>7,921</u>	<u>7,921</u>
		<u>32,197</u>	<u>34,206</u>
<b>Current assets</b>			
Stocks	12	11	4
Debtors	13	2,126	2,256
Cash at bank and in hand		<u>48</u>	<u>25</u>
		2,185	2,285
<b>Creditors:</b> Amounts falling due within one year	15	<u>(18,734)</u>	<u>(21,101)</u>
<b>Net current liabilities</b>		<u>(16,549)</u>	<u>(18,816)</u>
<b>Total assets less current liabilities</b>		15,648	15,390
<b>Creditors:</b> Amounts falling due after more than one year	15	(54)	-
<b>Provisions for liabilities</b>	8	<u>(257)</u>	<u>-</u>
<b>Net assets</b>		<u>15,337</u>	<u>15,390</u>
Called up share capital	17	-	-
Profit and loss account		<u>15,337</u>	<u>15,390</u>
<b>Total equity</b>		<u>15,337</u>	<u>15,390</u>

For the financial year ending 31 December 2017 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

#### Directors' responsibilities:

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

Approved and authorised by the Board on 31 August 2018 and signed on its behalf by:

  
.....  
Nigel Myers  
Director

## Partnerships in Care 1 Limited

### Statement of Changes in Equity for the Year Ended 31 December 2017

	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 January 2017	-	15,390	15,390
Loss for the year	-	(53)	(53)
Total comprehensive income	-	(53)	(53)
At 31 December 2017	-	15,337	15,337

	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 January 2016	-	9,209	9,209
Profit for the year	-	6,181	6,181
Total comprehensive income	-	6,181	6,181
At 31 December 2016	-	15,390	15,390

# Partnerships in Care 1 Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### 1 General information

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

The address of its registered office is:

Fifth Floor  
80 Hammersmith Road  
London  
W14 8UD  
United Kingdom

These financial statements were authorised for issue by the Board on 31 August 2018.

### 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, tangible fixed assets and intangible assets.

#### Group accounts not prepared

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements on the grounds that it is included in the consolidated financial statements of a parent undertaking. These financial statements present information about the company as an individual undertaking and not about its group.

#### Going concern

The financial statements have been prepared on a going concern basis.

# Partnerships in Care 1 Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 2 Accounting policies (continued)

#### Judgements

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

#### Revenue recognition

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

The Company recognises revenue when:

The amount of revenue can be reliably measured;

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

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

#### Tax

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

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

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

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

#### Tangible assets

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

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

#### Depreciation

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold buildings	over 50 years
Fixtures and fittings	over 3 to 16 years
Motor vehicles	over the shorter of the lease term and 4 years

## Partnerships in Care 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 2 Accounting policies (continued)

##### Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

##### Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

##### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	less than 20 years

##### 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.

##### Cash and cash equivalents

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

##### Trade debtors

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

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

# Partnerships in Care 1 Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 2 Accounting policies (continued)

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### Trade creditors

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

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

#### Borrowings

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

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

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

#### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### 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.

## Partnerships in Care 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 2 Accounting policies (continued)

##### Defined contribution pension obligation

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

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

#### 3 Revenue

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

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
Rendering of services	<u>16,631</u>	<u>18,664</u>

#### 4 Operating profit

Arrived at after charging/(crediting)

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
Depreciation expense	952	1,222
Amortisation expense	2,226	2,204
Loss on disposal of property, plant and equipment	<u>1</u>	<u>-</u>

#### 5 Interest payable and similar charges

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest on obligations under finance leases and hire purchase contracts	<u>4</u>	<u>-</u>

#### 6 Staff costs

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

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	8,272	8,254
Social security costs	628	667
Pension costs, defined contribution scheme	<u>128</u>	<u>98</u>
	<u>9,028</u>	<u>9,019</u>

## Partnerships in Care 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 6 Staff costs (continued)

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Administration and support	66	35
Other departments	299	345
	<u>365</u>	<u>380</u>

#### 7 Directors' remuneration

The costs relating to the directors' services have been borne by Priory Central Services Limited, a fellow group company. No amounts have been recharged to the company in respect of the directors' services and the directors do not believe that it is practical to allocate these costs between group companies.

#### 8 Taxation

Tax charged/(credited) in the income statement

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current taxation</b>		
UK corporation tax	447	(323)
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	257	(129)
Tax expense/(receipt) in the income statement	<u>704</u>	<u>(452)</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 19.25% (2016 - 20%).

The differences are reconciled below:

## Partnerships in Care 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 8 Taxation (continued)

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit before tax	<u>651</u>	<u>5,729</u>
Corporation tax at standard rate	125	1,146
Effect of expense not deductible in determining taxable profit (tax loss)	504	(145)
Deferred tax expense (credit) relating to changes in tax rates or laws	(10)	(8)
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	181	(288)
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	133	(920)
Tax increase (decrease) from other short-term timing differences	-	5
Tax increase (decrease) from transfer pricing adjustments	<u>(229)</u>	<u>(242)</u>
Total tax charge/(credit)	<u>704</u>	<u>(452)</u>

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the company's profits for this accounting year are taxed at an effective rate of 19.25% (2016: 20%).

The main rate of corporation tax has been reduced from 20% to 19% with effect from 1 April 2017 and from 19% to 17% with effect from 1 April 2020. These rate reductions were substantively enacted before the year end and as the directors consider the deferred tax balances are expected to largely reverse after 1 April 2020, the tax rate used for deferred tax at the year end is 17%.

#### Deferred tax

Deferred tax assets and liabilities

**2017**

**Liability**  
**£ 000**

257

## Partnerships in Care 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 9 Intangible assets

	Goodwill £ 000	Total £ 000
<b>Cost or valuation</b>		
At 1 January 2017	<u>14,247</u>	<u>14,247</u>
At 31 December 2017	<u>14,247</u>	<u>14,247</u>
<b>Amortisation</b>		
At 1 January 2017	7,564	7,564
Amortisation charge	<u>2,226</u>	<u>2,226</u>
At 31 December 2017	<u>9,790</u>	<u>9,790</u>
<b>Carrying amount</b>		
At 31 December 2017	<u>4,457</u>	<u>4,457</u>
At 31 December 2016	<u>6,683</u>	<u>6,683</u>

#### 10 Tangible assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Motor vehicles £ 000	Total £ 000
<b>Cost or valuation</b>				
At 1 January 2017	20,371	4,458	47	24,876
Additions	<u>292</u>	<u>784</u>	<u>93</u>	<u>1,169</u>
At 31 December 2017	<u>20,663</u>	<u>5,242</u>	<u>140</u>	<u>26,045</u>
<b>Depreciation</b>				
At 1 January 2017	2,047	3,217	10	5,274
Charge for the year	<u>406</u>	<u>518</u>	<u>28</u>	<u>952</u>
At 31 December 2017	<u>2,453</u>	<u>3,735</u>	<u>38</u>	<u>6,226</u>
<b>Carrying amount</b>				
At 31 December 2017	<u>18,210</u>	<u>1,507</u>	<u>102</u>	<u>19,819</u>
At 31 December 2016	<u>18,324</u>	<u>1,241</u>	<u>37</u>	<u>19,602</u>

## Partnerships in Care 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 10 Tangible assets (continued)

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

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

	2017 £ 000	2016 £ 000
Motor vehicles	<u>77</u>	<u>-</u>

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

Subsidiaries	£ 000
<b>Cost or valuation</b>	
At 1 January 2017	<u>7,921</u>
At 31 December 2017	<u>7,921</u>
<b>Carrying amount</b>	
At 31 December 2017	<u>7,921</u>
At 31 December 2016	<u>7,921</u>

##### Details of undertakings

The investments of the company are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held 2017	2016
<b>Subsidiary undertakings</b>				
Partnerships in Care (Nelson) Limited	United Kingdom	Ordinary shares	100%	100%

The principal activity of Partnerships in Care (Nelson) Limited is mental health services.

#### 12 Stocks

	2017 £ 000	2016 £ 000
Other inventories	<u>11</u>	<u>4</u>

## Partnerships in Care 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 13 Debtors

	2017 £ 000	2016 £ 000
Trade debtors	2,009	1,871
Other debtors	4	328
Prepayments	31	57
Accrued income	82	-
Total current trade and other debtors	<u>2,126</u>	<u>2,256</u>

#### 14 Cash and cash equivalents

	2017 £ 000	2016 £ 000
Cash at bank	<u>48</u>	<u>25</u>

#### 15 Creditors

	Note	2017 £ 000	2016 £ 000
<b>Due within one year</b>			
Loans and borrowings	18	23	1,080
Trade creditors		-	40
Amounts due to related parties		17,281	18,370
Social security and other taxes		292	125
Outstanding defined contribution pension costs		4	-
Other payables		195	87
Accrued expenses		379	337
Income tax liability	8	447	1,062
Deferred income		113	-
		<u>18,734</u>	<u>21,101</u>
<b>Due after one year</b>			
Loans and borrowings	18	<u>54</u>	<u>-</u>

Amounts due to related parties are unsecured, non interest bearing and repayable on demand.

## Partnerships in Care 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 16 Pension and other schemes

##### Defined contribution 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 scheme and amounted to £128,000 (2016 - £98,000).

Contributions totalling £4,000 (2016 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

#### 17 Share capital

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

	No.	2017 £	No.	2016 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

#### 18 Loans and borrowings

	2017 £ 000	2016 £ 000
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	<u>54</u>	<u>-</u>
	2017 £ 000	2016 £ 000
<b>Current loans and borrowings</b>		
Bank overdrafts	-	1,080
Finance lease liabilities	<u>23</u>	<u>-</u>
	<u>23</u>	<u>1,080</u>

#### 19 Commitments

##### Capital commitments

The total amount contracted for but not provided in the financial statements was £43,000 (2016 - £306,000).

## **Partnerships in Care 1 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **20 Parent and ultimate parent undertaking**

The company's immediate parent is Partnerships in Care Management 2 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 (formerly Partnerships in Care UK 1 Limited), incorporated in United Kingdom.

The address of Priory Group UK 1 Limited (formerly Partnerships in Care UK 1 Limited) is:  
Fifth Floor, 80 Hammersmith Road, London, W14 8UD, United Kingdom.