

**Partnerships in Care Property 2 Limited**

**Unaudited**

**Directors' report and financial statements**

**For the year ended 31 December 2015**

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## **Partnerships in Care Property 2 Limited**

### **Company Information**

<b>Directors</b>	Joy Chamberlain Quazi Haque
<b>Company secretary</b>	Sarah Livingston
<b>Registered number</b>	05406092
<b>Registered office</b>	2 Imperial Place Maxwell Road Borehamwood Hertfordshire WD6 1JN

## **Partnerships in Care Property 2 Limited**

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## **Partnerships in Care Property 2 Limited**

### **Directors' report For the year ended 31 December 2015**

The Directors present their report and the financial statements for the year ended 31 December 2015

#### **Principal activity**

The company is a property holding company

#### **Results and dividends**

The profit for the year, after taxation, amounted to £444,879 (2014 - £972,165)

The directors do not recommend the payment of a dividend (2014 - Nil)

#### **Directors**

The Directors who served during the year were

Joy Chamberlain  
Quazi Haque

There are no directors retiring by rotation

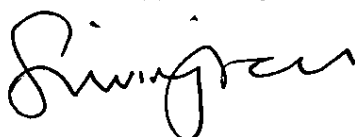
In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

#### **Going Concern**

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

This report was approved by the board on 27 September 2016

and signed on its behalf



**Sarah Livingston**  
Company secretary

## **Partnerships in Care Property 2 Limited**

### **Directors' responsibilities statement For the year ended 31 December 2015**

The Directors are responsible for preparing 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under Company law the Directors must not approve the financial statements unless 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 judgments 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 Property 2 Limited**

**Profit and loss account  
For the year ended 31 December 2015**

	Note	2015 £	2014 £
Turnover		832,050	1,329,612
Administrative expenses		<u>(337,334)</u>	<u>(381,854)</u>
<b>Operating profit</b>	3	494,716	947,758
Tax on profit	4	<u>(49,837)</u>	<u>24,407</u>
<b>Profit for the year</b>		<u><u>444,879</u></u>	<u><u>972,165</u></u>

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account

All amounts related to continuing operations

The notes on pages 5 to 11 form part of these financial statements

**Partnerships in Care Property 2 Limited**  
**Registered number:05406092**

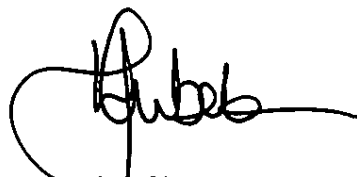
**Balance Sheet**  
**As at 31 December 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	5	15,742,735	16,080,069
<b>Current assets</b>			
Debtors	6	7,653,561	6,821,511
<b>Total assets less current liabilities</b>		23,396,296	22,901,580
 Creditors amounts falling due after more than one year	7	(18,710,531)	(18,710,531)
<b>Provisions for liabilities</b>			
Deferred tax liability	8	(546,780)	(496,943)
<b>Net assets</b>		4,138,985	3,694,106
<b>Capital and reserves</b>			
Called up share capital	9	3	3
Profit and loss account	10	4,138,982	3,694,103
<b>Shareholders' funds</b>		4,138,985	3,694,106

The Directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Act

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2016

  
**Joy Chamberlain**  
 Director

The notes on pages 5 to 11 form part of these financial statements

## Partnerships in Care Property 2 Limited

### Notes to the financial statements For the year ended 31 December 2015

#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical costs convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

##### 1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.3 Related party disclosures

As the Company is a wholly owned subsidiary of Acadia Healthcare Company Inc, the Company has taken advantage of the exemption contained in FRS 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

##### 1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue recognised by the Company is rental income receivable during the year, exclusive of Value Added Tax.

##### 1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Freehold property	-	over 50 years straight line
Fixtures & fittings	-	over 5 to 10 years straight line
Building structural alterations and refurbishment	-	over 5 to 10 years straight line



## **Partnerships in Care Property 2 Limited**

### **Notes to the financial statements For the year ended 31 December 2015**

#### **1. Accounting policies (continued)**

##### **1.5 Tangible fixed assets (continued)**

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income

##### **1.6 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively

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 income

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits, and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date

##### **1.7 Going Concern**

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

#### **2. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of accounting policies, management are required to make judgements, estimates and assumptions about the carrying amounts of certain assets and liabilities. The estimates and associated assumptions are based on experience and other factors that are considered as relevant. Actual results could differ from estimates

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the review period and future periods if the revision affects both the current period and subsequent periods

**Partnerships in Care Property 2 Limited**

**Notes to the financial statements  
For the year ended 31 December 2015**

**3. Operating profit**

The operating profit is stated after charging

	2015 £	2014 £
Depreciation of tangible fixed asset	<u>337,334</u>	<u>381,855</u>
During the year, no Director received any emoluments (2014 - £NIL)		

**4. Taxation**

	2015 £	2014 £
<b>Analysis of tax charge / (credit) for the year</b>		
<b>Deferred tax</b>		
Origination and reversal of timing differences	74,684	(24,407)
Effect of decreased tax rate on opening liability	<u>(24,847)</u>	<u>-</u>
<b>Total deferred tax</b>	<u>49,837</u>	<u>(24,407)</u>
 <b>Taxation on profit on ordinary activities</b>	 <u>49,837</u>	 <u>(24,407)</u>

## Partnerships in Care Property 2 Limited

### Notes to the financial statements For the year ended 31 December 2015

#### 4. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below

	2015 £	2014 £
Profit on ordinary activities before tax	<u>494,716</u>	<u>947,758</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	100,163	203,703
<b>Effects of:</b>		
Expenses not deductible for tax purposes – fixed assets	-	55,801
Depreciation in excess of capital allowances	(27,059)	26,230
Group relief	92,557	(128,392)
Transfer pricing adjustments	<u>(165,661)</u>	<u>(157,342)</u>
<b>Current tax charge/(credit) for the year</b>	<u>-</u>	<u>-</u>

##### Factors that may affect future tax charges

The level of disallowable expenses and utilisation of tax losses carried forward will impact future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective 1 April 2015) was substantively enacted on 2 July 2013. The corporation tax main rate for 1 April 2016 is set at 20% and will reduce to 19% from 1 April 2017.

This will reduce the company's future tax charge accordingly. The deferred tax liability has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

# Partnerships in Care Property 2 Limited

## Notes to the financial statements For the year ended 31 December 2015

### 5. Tangible fixed assets

	Freehold Property £
<b>Cost</b>	
At 1 January 2015	19,073,300
<b>At 31 December 2015</b>	<u>19,073,300</u>
<b>Depreciation</b>	
At 1 January 2015	2,993,231
Charge for the period	337,334
<b>At 31 December 2015</b>	<u>3,330,565</u>
<b>Net book value</b>	
<b>At 31 December 2015</b>	<u>15,742,735</u>
At 31 December 2014	<u>16,080,069</u>

Included in tangible fixed assets is land of a value of £1,577,333 which is not being depreciated in line with the company's accounting policy

### 6 Debtors

	2015 £	2014 £
Amounts owed by group undertakings	<u>7,653,561</u>	<u>6,821,511</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

# Partnerships in Care Property 2 Limited

## Notes to the financial statements For the year ended 31 December 2015

### 7. Creditors. Amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to group undertakings	18,710,531	18,710,531

#### Secured loans

The above amount is in respect of an inter-company loan with Partnerships in Care Property 1 Limited. The loan is non-interest bearing and is only repayable on the disposal of property owned by the Company, which the directors expect to be in more than one year. The loan is secured by a charge on the property of the Company.

### 8. Deferred taxation

	Deferred tax £
At 1 January 2015	496,943
Charged to profit or loss	49,837
<b>At 31 December 2015</b>	<b>546,780</b>

The provision for deferred taxation is made up as follows

	2015 £	2014 £
Accelerated capital allowances	546,780	496,943

### 9. Share capital

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
3 Ordinary shares of £1 each	3	3

## Partnerships in Care Property 2 Limited

### Notes to the financial statements For the year ended 31 December 2015

#### 10. Reserves

	Profit and loss account £
At 1 January 2015	3,694,103
Profit for the financial year	444,879
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At 31 December 2015	4,138,982
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#### 11. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	3,694,106	2,721,941
Profit for the financial year	444,879	972,165
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Closing shareholders' funds	4,138,985	3,694,106
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#### 12. Controlling party

The immediate parent undertaking is Partnerships in Care Investments 2 Limited

The ultimate parent undertaking is Acadia Healthcare Company Inc, a company incorporated in the United States of America

The largest group in which the results of the Company are consolidated is that headed by Acadia Healthcare Company Inc, incorporated in the United States of America. The consolidated financial statements of the Acadia Healthcare group may be obtained from 830 Crescent Centre Drive, Suite 610, Franklin, TN 37067

The smallest group in which the results of the Company are consolidated is that headed by Partnerships in Care UK 2 Limited, incorporated in England and Wales. The consolidated financial statements of the Partnerships in Care UK 2 Limited group may be obtained from 2 Imperial Place, Maxwell Road, Borehamwood, Hertfordshire, WD6 1JN