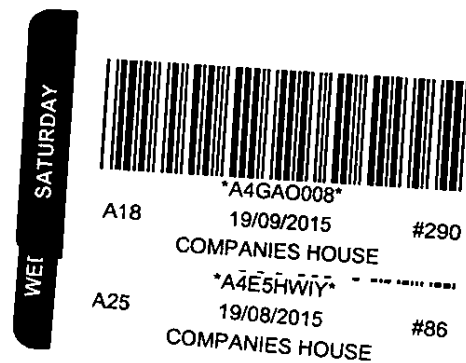


Partnerships in Care Property 2 Limited

Unaudited

Directors' report and financial statements

For the year ended 31 December 2014



Partnerships in Care Property 2 Limited

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Partnerships in Care Property 2 Limited

Directors' report

For the year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014

Directors

The directors who served during the year were

Joy Chamberlain

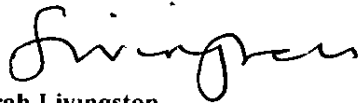
Quazi Haque

Simon Lane (resigned 20 September 2014)

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

This report was approved by the board on 5 June 2015 and signed on its behalf



Sarah Livingston
Company secretary

2 Imperial Place
Maxwell Road
Borehamwood
Hertfordshire
WD6 1JN

Partnerships in Care Property 2 Limited

Directors' responsibilities statement For the year ended 31 December 2014

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 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 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,
- 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 2014

	Note	2014 £	2013 £
Turnover	1,2	1,329,612	1,155,981
Administrative expenses		(381,854)	(382,149)
Operating profit	3	947,758	773,832
Profit on ordinary activities before taxation		947,758	773,832
Tax on profit on ordinary activities	5	24,407	6,076
Profit for the financial year	11	972,165	779,908

All amounts relate to continuing operations

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents

The notes on pages 5 to 10 form part of these financial statements

Partnerships in Care Property 2 Limited

Registered number: 05406092

Balance sheet

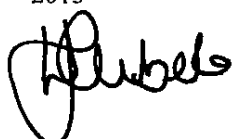
As at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	6	16,080,069	16,461,924
Current assets			
Debtors	7	6,821,511	5,491,898
Total assets less current liabilities		<u>22,901,580</u>	<u>21,953,822</u>
Creditors , amounts falling due after more than one year	8	(18,710,531)	(18,710,531)
Provisions for liabilities			
Deferred tax	9	(496,943)	(521,350)
Net assets		<u>3,694,106</u>	<u>2,721,941</u>
Capital and reserves			
Called up share capital	10	3	3
Profit and loss account	11	3,694,103	2,721,938
Shareholders' funds	12	<u>3,694,106</u>	<u>2,721,941</u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A 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 5 June 2015



Joy Chamberlain
Director

The notes on pages 5 to 10 form part of these financial statements

Partnerships in Care Property 2 Limited

Notes to the financial statements For the year ended 31 December 2014

1. Accounting policies

1.1 Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost 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, (as disclosed in note 13), 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 comprises revenue recognised by the Company in respect of rental income receivable during the year, exclusive of Value Added Tax.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

No depreciation is provided on freehold land.

Costs include directly attributable finance costs.

The property held by the Company is made available to fellow subsidiary companies for the operation of their business and as such is accounted for under FRS 15.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Partnerships in Care Property 2 Limited

Notes to the financial statements For the year ended 31 December 2014

2. Turnover

All turnover arose within the United Kingdom

3. Operating profit

The operating profit is stated after charging

	2014 £	2013 £
Depreciation of tangible fixed assets - owned by the company	381,855	382,150

4. Staff costs

The Company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL)

5. Taxation

	2014 £	2013 £
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
Adjustments in respect of prior years	-	(2,169)
Deferred tax		
Origination and reversal of timing differences	(24,407)	(24,427)
Effect of decreased tax rate on opening liability	-	(81,866)
Adjustments in respect of prior years	-	102,386
Total deferred tax (see note 9)	(24,407)	(3,907)
Tax on profit/(loss) on ordinary activities	(24,407)	(6,076)

Partnerships in Care Property 2 Limited

Notes to the financial statements For the year ended 31 December 2014

5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21 49315% (2013 - 23 24654%) The differences are explained below

	2014 £	2013 £
Profit/(loss) on ordinary activities before tax	947,758	773,832
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21 49315% (2013 - 23 24654%)	203,703	179,889
Effects of:		
Expenses not deductible for tax purposes - fixed assets	55,801	60,400
Depreciation in excess of capital allowances	26,230	28,392
Adjustments to tax charge in respect of prior years	-	(2,169)
Group relief	(128,392)	(158,541)
Transfer pricing adjustments	(157,342)	(110,140)
Current tax charge/(credit) for the year (see note above)	-	(2,169)

Factors that may affect future tax charges

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

Reductions in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012 Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013

This will reduce the company's future current tax charge accordingly The deferred tax liability at 31 December 2014 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 2014

6 Tangible fixed assets

	Freehold property £
Cost	
At 1 January 2014 and 31 December 2014	19,073,300
Depreciation	
At 1 January 2014	2,611,376
Charge for the year	381,855
At 31 December 2014	2,993,231
Net book value	
At 31 December 2014	16,080,069
At 31 December 2013	16,461,924

7. Debtors

	2014 £	2013 £
Amounts owed by group undertakings	6,821,511	5,491,898

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

8. Creditors. Amounts falling due after more than one year

	2014 £	2013 £
Amounts owed to group undertakings	18,710,531	18,710,531

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.

9. Deferred taxation

	2014 £	2013 £
At beginning of year	521,350	525,257
Released during year (P&L)	(24,407)	(3,907)
At end of year	496,943	521,350

Partnerships in Care Property 2 Limited

Notes to the financial statements For the year ended 31 December 2014

9. Deferred taxation (continued)

The provision for deferred taxation is made up as follows

	2014 £	2013 £
Accelerated capital allowances	496,943	521,350

10. Called up share capital

	2014 £	2013 £
Allotted, called up and fully paid		
3 Ordinary shares of £1 each	3	3

11. Reserves

	Profit and loss account £
At 1 January 2014	2,721,938
Profit for the financial year	972,165
At 31 December 2014	3,694,103

12. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	2,721,941	1,942,033
Profit for the financial year	972,165	779,908
Closing shareholders' funds	3,694,106	2,721,941

Partnerships in Care Property 2 Limited

Notes to the financial statements For the year ended 31 December 2014

13. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Partnerships in 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