

# **Partnerships in Care Property 6 Limited**

**Annual Report and Unaudited Financial Statements**

**for the Year Ended 31 December 2019**

**Registration number: 05406120**



# **Partnerships in Care Property 6 Limited**

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# Partnerships in Care Property 6 Limited

## Company Information

<b>Directors</b>	Trevor Torrington Ryan Jervis
<b>Company secretary</b>	David Hall
<b>Registered office</b>	Fifth Floor 80 Hammersmith Road London W14 8UD

# Partnerships in Care Property 6 Limited

## Strategic Report for the Year Ended 31 December 2019

The Directors present their strategic report for the year ended 31 December 2019.

### Principal activity

The principal activity of the company is a property holding company.

### 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'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, 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

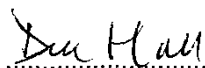
From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Priory Group UK 1 Limited, which include those of the company, are discussed in the group's financial statements which do not form part of this report.

### Statement on Section 172(1)

The following Section 172 statement, which is required by the Companies Act 2006, describes how the directors have had regard to the matters set out in Section 172(1a to 1f) including key decisions and matters that are of strategic importance to the company. The Directors, in line with their duties under Section 172 of the Companies Act 2006, act in a way they consider, in good faith would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term.

*From the perspective of the company, decisions and policies relating to Section 172(1) are determined at group level and applied to the company, where relevant, by the Directors. Accordingly, further details in relation to how the directors have engaged with suppliers, customers, employees and other stakeholders are included in the financial statements of Priory Group UK 1 Limited, an intermediate parent of the company, which includes the company and does not form part of this report.*

Approved by the Board on 30 November 2020 and signed on its behalf by:



David Hall  
Company secretary

# **Partnerships in Care Property 6 Limited**

## **Directors' Report for the Year Ended 31 December 2019**

The Directors present their report and the financial statements for the year ended 31 December 2019.

This report should be read in conjunction with the strategic report on page 2. The company has chosen in accordance with Section 414C(ii) of the Companies Act 2006 to set out in the strategic report the following which the directors believe to be of strategic importance:

- Business review;
- Principal risks and uncertainties; and
- Statements in relation to how directors have engaged with employees, suppliers, customers and others in a business relationship with the company.

### **Directors of the Company**

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

Trevor Torrington

Nigel Myers (resigned 17 December 2019)

Ryan Jervis (appointed 17 December 2019)

The directors do not recommend the payment of a final dividend (2018: £nil). No dividends were paid during the year (2018: £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, which include those of the company, are discussed in the group's financial statements which do not form part of this report.

### **Future developments**

The future developments of the company are aligned to the strategy of the UK group, headed by Priory Group 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 Property 6 Limited

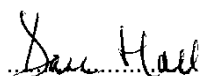
### Directors' Report for the Year Ended 31 December 2019 (continued)

#### Going concern

The directors have adopted the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of the COVID-19 pandemic. The going concern of Priory Group 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.

After making appropriate enquiries and having considered the business activities and principal risks and uncertainties, the directors of the group are satisfied that the group as a whole has adequate resources to continue in operational existence for the foreseeable future. As a result the intermediate parent company, Priory Group 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 30 November 2020 and signed on its behalf by:

A handwritten signature in dark ink, appearing to read 'David Hall', followed by a dotted line.

David Hall  
Company secretary

## **Partnerships in Care Property 6 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 Property 6 Limited

### Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Turnover	3	202	202
Cost of sales		<u>(6,970)</u>	<u>(75)</u>
Operating (loss)/profit	4	<u>(6,768)</u>	<u>127</u>
(Loss)/profit before tax		(6,768)	127
Taxation	6	<u>64</u>	<u>(56)</u>
(Loss)/profit for the financial year		<u><u>(6,704)</u></u>	<u><u>71</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 Property 6 Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2019

	<b>Note</b>	<b>2019 £ 000</b>	<b>2018 £ 000</b>
(Loss)/profit for the year		<u>(6,704)</u>	<u>71</u>
Total comprehensive income for the year		<u><u>(6,704)</u></u>	<u><u>71</u></u>

## Partnerships in Care Property 6 Limited

(Registration number: 05406120)

### Balance Sheet as at 31 December 2019

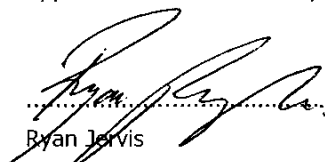
	Note	2019 £ 000	2018 £ 000
<b>Fixed assets</b>			
Tangible fixed assets	7	-	6,970
<b>Current assets</b>			
Debtors	8	10,919	10,748
<b>Creditors:</b> Amounts falling due within one year	9	<u>(56)</u>	<u>(53)</u>
<b>Net current assets</b>		<u>10,863</u>	<u>10,695</u>
<b>Total assets less current liabilities</b>		10,863	17,665
<b>Creditors:</b> Amounts falling due after more than one year	9	(9,202)	(9,202)
<b>Provisions for liabilities</b>	6	<u>-</u>	<u>(98)</u>
<b>Net assets</b>		<u>1,661</u>	<u>8,365</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account		<u>1,661</u>	<u>8,365</u>
<b>Total equity</b>		<u>1,661</u>	<u>8,365</u>

For the financial year ending 31 December 2019 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 30 November 2020 and signed on its behalf by:

  
Ryan Jarvis  
Director

## Partnerships in Care Property 6 Limited

### Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	-	8,365	8,365
Loss for the year	-	(6,704)	(6,704)
Total comprehensive income	-	(6,704)	(6,704)
At 31 December 2019	-	1,661	1,661

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	-	8,294	8,294
Profit for the year	-	71	71
Total comprehensive income	-	71	71
At 31 December 2018	-	8,365	8,365

# **Partnerships in Care Property 6 Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2019**

### **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 30 November 2020.

### **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 and tangible fixed assets.

## **Partnerships in Care Property 6 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

The directors have adopted the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of the COVID-19 pandemic. The going concern of Priory Group 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.

After making appropriate enquiries and having considered the business activities and principal risks and uncertainties, the directors of the group are satisfied that the group as a whole has adequate resources to continue in operational existence for the foreseeable future. As a result the intermediate parent company, Priory Group 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.

##### **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.

## Partnerships in Care Property 6 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 2 Accounting policies (continued)

##### Tangible fixed assets

Tangible fixed 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 fixed 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:

Asset class	Depreciation method and rate
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

##### Debtors

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

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 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.

##### 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

Where assets are held for use in operating leases they are recorded as fixed assets and rental income is recognised on a straight-line basis over the period of the lease.

##### 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 Property 6 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 3 Revenue

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

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Rental income from investment property	<u>202</u>	<u>202</u>

#### 4 Operating loss

Arrived at after charging/(crediting)

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Depreciation expense	75	75
Impairment loss	<u>6,895</u>	<u>-</u>

#### 5 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.

#### 6 Taxation

Tax charged/(credited) in the income statement

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current taxation</b>		
UK corporation tax	56	53
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(120)</u>	<u>3</u>
Tax (receipt)/expense in the income statement	<u>(64)</u>	<u>56</u>

## Partnerships in Care Property 6 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 6 Taxation (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	<b>2019</b> <b>£ 000</b>	<b>2018</b> <b>£ 000</b>
(Loss)/profit before tax	<u>(6,768)</u>	<u>127</u>
Corporation tax at standard rate	(1,286)	24
Effect of expense not deductible in determining taxable profit (tax loss)	1,324	13
Deferred tax expense (credit) relating to changes in tax rates or laws	(1)	-
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	(124)	-
Tax increase (decrease) from transfer pricing adjustments	<u>23</u>	<u>19</u>
Total tax (credit)/charge	<u>(64)</u>	<u>56</u>

The company's profits for this accounting year are taxed at an effective rate of 19% (2018: 19%).

A reduction in the main rate of corporation tax to 17% with effect from 1 April 2020 was substantively enacted on 6 September 2016. Finance Bill 2020 reversed this proposed rate reduction but that legislation had not been substantively enacted at the balance sheet date. As such the group's deferred tax balances continue to be calculated at 17%.

#### Deferred tax

Deferred tax assets and liabilities

	<b>Asset</b> <b>£ 000</b>
<b>2019</b>	
Fixed asset timing differences	<u>22</u>
	<b>Liability</b> <b>£ 000</b>
<b>2018</b>	
Fixed asset timing differences	<u>(98)</u>



## Partnerships in Care Property 6 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 7 Tangible fixed assets

	Land and buildings £ 000	Total £ 000
<b>Cost or valuation</b>		
At 1 January 2019	9,386	9,386
At 31 December 2019	9,386	9,386
<b>Depreciation</b>		
At 1 January 2019	2,416	2,416
Charge for the year	75	75
Impairment	6,895	6,895
At 31 December 2019	9,386	9,386
<b>Carrying amount</b>		
At 31 December 2019	-	-
At 31 December 2018	6,970	6,970

#### 8 Debtors

	2019 £ 000	2018 £ 000
Amounts owed by related parties	10,897	10,748
Deferred tax assets	22	-
Total current trade and other debtors	10,919	10,748

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

#### 9 Creditors

	Note	2019 £ 000	2018 £ 000
<b>Due within one year</b>			
Income tax liability	6	56	53
<b>Due after one year</b>			
Loans and borrowings	11	9,202	9,202

## Partnerships in Care Property 6 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 10 Share capital

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

	No.	2019 £	No.	2018 £
Ordinary shares of £1 each	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

#### 11 Loans and borrowings

	2019 £ 000	2018 £ 000
<b>Non-current loans and borrowings</b>		
Other borrowings	<u>9,202</u>	<u>9,202</u>

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 repayable on the disposal of property owned by the Company, which the directors expect to be in more than one year.

#### 12 Parent and ultimate parent undertaking

The company's immediate parent is Partnerships in Care Investments 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.

## **Partnerships in Care Property 6 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **13 Non adjusting events after the financial period**

##### **COVID-19**

The evolving situation regarding the COVID-19 outbreak is regarded by the company as a disclosable event occurring after the reporting date but prior to the issuance of these financial statements. The company has determined that COVID-19 is a non-adjusting post balance sheet event as at 31 December 2019 on the basis that at that date the World Health Organisation had not declared a global health emergency, and there was no significant known presence of the virus outside China, a territory with minimal direct involvement with the company.

As a non-adjusting event, no adjustment to the financial performance or position for the year has been made.

The impact of COVID-19 on the profitability, financial position and solvency of Priory Group UK 1 Limited, which include this company, is discussed in the group's financial statements which do not form part of this report.

The directors' report sets out the considerations made by the company in determining that the going concern basis of preparation remains appropriate.