

Registered number: 7155722

**Partnerships in Care (Beverley) Limited**

**Unaudited**

**Directors' report and financial statements**

**For the period ended 31 December 2016**



## **Partnerships in Care (Beverley) Limited**

### **Company Information**

<b>Directors</b>	Steven Woolgar (appointed 1 June 2015, resigned 30 November 2016) Joy Chamberlain (appointed 1 June 2015, resigned 30 November 2016) Quazi Haque (appointed 1 June 2015, resigned 30 November 2016) Trevor Torrington (appointed 30 November 2016) Nigel Myers (appointed 30 November 2016)
<b>Company secretary</b>	David Hall
<b>Registered number</b>	7155722
<b>Registered office</b>	Fifth Floor 80 Hammersmith Road London W14 8UD

## **Partnerships in Care (Beverley) Limited**

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## **Partnerships in Care (Beverley) Limited**

### **Directors' report For the period ended 31 December 2016**

The Directors present their report and the financial statements for the period ended 31 December 2016.

#### **Principal activity**

The company's principal activity during the period continued to be the provision of a residential mental healthcare facility.

On 1 June 2015, Partnerships in Care Management 2 Limited acquired 100% of the ordinary share capital of the Company and changed its name from City Road Edgebaston Limited to Partnerships in Care (Beverley) Limited.

#### **Dividends paid**

During the period, the company paid a dividend of £Nil (2015 - £3,000,000).

#### **Directors**

The Directors who served during the period were:

Steven Woolgar (appointed 1 June 2015, resigned 30 November 2016)  
Joy Chamberlain (appointed 1 June 2015, resigned 30 November 2016)  
Quazi Haque (appointed 1 June 2015, resigned 30 November 2016)  
Trevor Torrington (appointed 30 November 2016)  
Nigel Myers (appointed 30 November 2016)  
There are no directors retiring by rotation.

#### **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.

#### **Small Companies Note**

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 22 September 2017 and signed on its behalf.



David Hall  
Company secretary

## **Partnerships in Care (Beverley) Limited**

### **Directors' responsibilities statement For the period ended 31 December 2016**

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements 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 (Beverley) Limited**

**Income statement  
For the period ended 31 December 2016**

		31 December 2016 £	9 months ended 31 December 2015 £
	Note		
Turnover		3,830,368	3,110,245
Cost of sales		(2,437,058)	(1,910,611)
<b>Gross profit</b>		<b>1,393,310</b>	<b>1,199,634</b>
Administrative expenses		(175,635)	(113,283)
<b>Operating profit</b>		<b>1,217,675</b>	<b>1,086,351</b>
Interest payable and similar expenses		(4,390)	-
<b>Profit before tax</b>		<b>1,213,285</b>	<b>1,086,351</b>
Tax on profit	6	(248,376)	(13,046)
<b>Profit for the period</b>		<b>964,909</b>	<b>1,073,305</b>

There were no recognised gains and losses for 2016 or 2015 other than those included in the income statement.

The notes on pages 6 to 14 form part of these financial statements.

**Partnerships in Care (Beverley) Limited**

**Statement of changes in equity  
For the period ended 31 December 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	1	1,205,958	1,205,959
Profit for the period	-	964,909	964,909
<b>Total comprehensive income for the period</b>	-	964,909	964,909
<b>At 31 December 2016</b>	1	2,170,867	2,170,868

**Statement of changes in equity  
For the period ended 31 December 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	1	3,132,653	3,132,654
Profit for the period	-	1,073,305	1,073,305
<b>Total comprehensive income for the period</b>	-	1,073,305	1,073,305
Dividends: Equity capital	-	(3,000,000)	(3,000,000)
<b>At 31 December 2015</b>	1	1,205,958	1,205,959

The notes on pages 6 to 14 form part of these financial statements.

**Partnerships in Care (Beverley) Limited**  
**Registered number: 7155722**

**Statement of financial position**  
**As at 31 December 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	8	319,542	157,869
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	2,688,236	1,416,193
Bank and cash balances		1,111	-
Creditors: amounts falling due within one year	10	(838,021)	(368,103)
<b>Net current assets</b>		<u>1,851,326</u>	<u>1,048,090</u>
<b>Total assets less current liabilities</b>		<u>2,170,868</u>	<u>1,205,959</u>
<b>Net assets</b>		<u><u>2,170,868</u></u>	<u><u>1,205,959</u></u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Profit and loss account		2,170,867	1,205,958
<b>Shareholders' funds</b>		<u><u>2,170,868</u></u>	<u><u>1,205,959</u></u>

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

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 Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 September 2017.

  
**Nigel Myers**  
 Director

The notes on pages 6 to 14 form part of these financial statements.



## **Partnerships in Care (Beverley) Limited**

### **Notes to the financial statements For the period ended 31 December 2016**

#### **1. Statement of compliance**

Partnerships in Care (Beverley) Limited is a limited liability company incorporated in England. The Registered Office is 80 Hammersmith Road, London, W14 8UD.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Group for the year ended 31 December 2016.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 April 2014.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Acadia Healthcare Company Inc as at 31 December 2015 and these financial statements may be obtained from 830 Crescent Centre Drive, Suite 610, Franklin, TN 37067.

##### **2.3 Revenue**

Revenue 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.

## Partnerships in Care (Beverley) Limited

### Notes to the financial statements For the period ended 31 December 2016

#### 2. Accounting policies (continued)

##### 2.4 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:

Freehold property	- over 50 years straight line
Plant and machinery	- over 7 to 10 years straight line
Motor vehicles	- over 4 years straight line
Fixtures and fittings	- over 5 to 10 straight line
Computer equipment	-

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 in the Income statement.

##### 2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.7 Finance costs

*Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.*

## **Partnerships in Care (Beverley) Limited**

### **Notes to the financial statements For the period ended 31 December 2016**

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

##### **2.8 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

##### **2.9 Pensions**

###### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

##### **2.10 Borrowing costs**

All borrowing costs are recognised in the Income statement in the period in which they are incurred.

##### **2.11 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income statement, except that a charge 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 tax 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## Partnerships in Care (Beverley) Limited

### Notes to the financial statements For the period ended 31 December 2016

#### 3. 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.

#### 4. Turnover

The whole of turnover is attributable to the provision of healthcare services undertaken in the United Kingdom, therefore there is only one class of business.

#### 5. Employees

Staff costs were as follows:

	31 December 2016 £	9 months ended 31 December 2015 £
Wages and salaries	1,598,459	1,271,394
Social security costs	143,288	109,351
Cost of defined contribution scheme	21,047	3,606
	<u>1,762,794</u>	<u>1,384,351</u>

The average monthly number of employees, including the Directors, during the period was as follows:

	31 December 2016 No.	9 months ended 31 December 2015 No.
Operations	68	58
Administration	6	5
	<u>74</u>	<u>63</u>

**Partnerships in Care (Beverley) Limited**

**Notes to the financial statements  
For the period ended 31 December 2016**

**6. Taxation**

	31 December 2016 £	9 months ended 31 December 2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	256,272	17,669
<b>Total current tax</b>	<u>256,272</u>	<u>17,669</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	5,835	456
Changes to tax rates	153	(5,644)
Increase in discount	-	565
Adjustment in respect of previous periods	(13,884)	-
<b>Total deferred tax</b>	<u>(7,896)</u>	<u>(4,623)</u>
<b>Taxation on profit on ordinary activities</b>	<u><u>248,376</u></u>	<u><u>13,046</u></u>

## Partnerships in Care (Beverley) Limited

### Notes to the financial statements For the period ended 31 December 2016

#### 6. Taxation (continued)

##### Factors affecting tax charge for the period

The tax assessed for the period is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	31 December 2016 £	9 months ended 31 December 2015 £
Profit on ordinary activities before tax	1,213,285	1,086,351
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	242,657	217,270
<b>Effects of:</b>		
Fixed asset differences	-	1,518
Expenses not deductible for tax purposes	7,684	-
Adjustments to tax charge in respect of prior periods	(13,884)	12,025
Adjust closing deferred tax to average rate	-	515
Changes in the tax rate leading to an increase (decrease) in the tax charge	154	-
Other differences leading to an increase (decrease) in the tax charge	-	(39,182)
Group relief	-	(191,903)
Transfer pricing adjustments	11,765	12,803
<b>Total tax charge for the period</b>	<b>248,376</b>	<b>13,046</b>

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

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

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%.

#### 7. Dividends

	2016 £	2015 £
Dividend paid	-	3,000,000

**Partnerships in Care (Beverley) Limited**

**Notes to the financial statements  
For the period ended 31 December 2016**

**8. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 January 2016	91,866	35,336	31,696	99,032	-	257,930
Additions	43,075	38,553	-	83,626	51,390	216,644
Transfers intra group	-	(3,971)	-	-	-	(3,971)
At 31 December 2016	134,941	69,918	31,696	182,658	51,390	470,603
<b>Depreciation</b>						
At 1 January 2016	6,391	799	7,559	85,313	-	100,062
Charge for the period on owned assets	14,963	10,485	6,940	10,904	7,707	50,999
At 31 December 2016	21,354	11,284	14,499	96,217	7,707	151,061
<b>Net book value</b>						
At 31 December 2016	113,587	58,634	17,197	86,441	43,683	319,542
At 31 December 2015	85,474	34,538	24,137	13,720	-	157,869

**9. Debtors**

	2016 £	2015 £
Trade debtors	223,027	176,416
Amounts owed by group undertakings	2,431,331	1,148,220
Other debtors	843	7,019
Prepayments and accrued income	20,516	79,915
Deferred taxation	12,519	4,623
	<u>2,688,236</u>	<u>1,416,193</u>

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

**Partnerships in Care (Beverley) Limited**

**Notes to the financial statements  
For the period ended 31 December 2016**

**10. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Bank overdrafts	217,432	19,412
Trade creditors	23,110	7,013
Amounts owed to group undertakings	76,607	-
Corporation tax	273,941	124,576
Other taxation and social security	45,919	23,249
Other creditors	79,893	14,019
Accruals and deferred income	121,119	179,834
	<u>838,021</u>	<u>368,103</u>

**11. Deferred taxation**

	2016 £
At beginning of year	4,623
Charged to the profit or loss	7,896
<b>At end of year</b>	<u>12,519</u>

The deferred tax asset is made up as follows:

	2016 £
Accelerated capital allowances	10,161
Tax losses carried forward	2,358
	<u>12,519</u>



## Partnerships in Care (Beverley) Limited

### Notes to the financial statements For the period ended 31 December 2016

#### 12. Capital commitments

At 31 December 2016 the Company had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	230,422	26,851

#### 13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £21,047 (2015 - £3,606). Contributions totalling £39,275 (2015 - £13,880) were payable to the fund at the balance sheet date

#### 14. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
<b>Land and buildings</b>		
Not later than 1 year	-	34,000
	2016 £	2015 £
Not later than 1 year	180	-

#### 15. Controlling party

The immediate parent undertaking is Partnerships in Care Management 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 1 Limited, incorporated in England and Wales. The consolidated financial statements of the Partnerships in Care UK 1 Limited group may be obtained from Fifth Floor 80 Hammersmith Road London W14 8UD.