

Partnerships in Care (Beverley) Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2018

Registration number: 07155722



Partnerships in Care (Beverley) Limited

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Partnerships in Care (Beverley) 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 (Beverley) Limited

Strategic Report for the Year Ended 31 December 2018

The Directors present their strategic report for the year ended 31 December 2018.

Principal activity

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

Fair review of the business

The results for the year are set out in the profit and loss account on page 5 and the position of the company as at the year end is set out in the balance sheet on page 7.

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, 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, 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 5 September 2019 and signed on its behalf by:



.....
David Hall
Company secretary

Partnerships in Care (Beverley) Limited

Directors' Report for the Year Ended 31 December 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

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 (2017: £nil). No dividends were paid during the year (2017: £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.

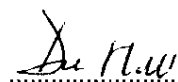
Future developments

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.

Going concern

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 5 September 2019 and signed on its behalf by:


.....

David Hall
Company secretary

Partnerships in Care (Beverley) 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 (Beverley) Limited

Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Turnover	3	3,474	3,633
Cost of sales		<u>(2,358)</u>	<u>(2,461)</u>
Gross profit		1,116	1,172
Administrative expenses		<u>(185)</u>	<u>(89)</u>
Operating profit	4	<u>931</u>	<u>1,083</u>
Profit before tax		931	1,083
Taxation	7	<u>(229)</u>	<u>(256)</u>
Profit for the financial year		<u><u>702</u></u>	<u><u>827</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 (Beverley) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Profit for the year		<u>702</u>	<u>827</u>
Total comprehensive income for the year		<u><u>702</u></u>	<u><u>827</u></u>

Partnerships in Care (Beverley) Limited

(Registration number: 07155722)

Balance Sheet as at 31 December 2018

	Note	2018 £ 000	2017 £ 000
Non current assets			
Tangible fixed assets	8	290	346
Current assets			
Stock		6	4
Debtors	9	3,711	2,964
Cash at bank and in hand		3	13
		<u>3,720</u>	<u>2,981</u>
Creditors: Amounts falling due within one year	11	<u>(310)</u>	<u>(329)</u>
Net current assets		<u>3,410</u>	<u>2,652</u>
Net assets		<u>3,700</u>	<u>2,998</u>
Equity			
Called up share capital	12	-	-
Profit and loss account		<u>3,700</u>	<u>2,998</u>
Total equity		<u>3,700</u>	<u>2,998</u>

For the financial year ending 31 December 2018 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 5 September 2019 and signed on its behalf by:



Nigel Myers

Director

The notes on pages 9 to 17 form an integral part of these financial statements.

Partnerships in Care (Beverley) Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	-	2,998	2,998
Profit for the year	-	702	702
Total comprehensive income	-	702	702
At 31 December 2018	-	3,700	3,700

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	-	2,171	2,171
Profit for the year	-	827	827
Total comprehensive income	-	827	827
At 31 December 2017	-	2,998	2,998

Partnerships in Care (Beverley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

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 5 September 2019.

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.

Going concern

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

Partnerships in Care (Beverley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (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 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

Freehold buildings

Fixtures and fittings

Motor vehicles

Depreciation method and rate

over 50 years

over 3 to 16 years

over the shorter of the lease term and 4 years

Partnerships in Care (Beverley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

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.

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.

Stock

Stock 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, stock are assessed for impairment. If stock 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.

Creditors

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.

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

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.

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.

Partnerships in Care (Beverley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

3 Revenue

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

	2018	2017
	£ 000	£ 000
Rendering of services	<u>3,474</u>	<u>3,633</u>

4 Operating profit

Arrived at after charging/(crediting)

	2018	2017
	£ 000	£ 000
Depreciation expense	79	73
Loss on disposal of property, plant and equipment	<u>-</u>	<u>17</u>

5 Staff costs

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

	2018	2017
	£ 000	£ 000
Wages and salaries	1,505	1,545
Social security costs	148	147
Pension costs, defined contribution scheme	<u>26</u>	<u>25</u>
	<u>1,679</u>	<u>1,717</u>

Partnerships in Care (Beverley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

5 Staff costs (continued)

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

	2018 No.	2017 No.
Administration and support	5	4
Other departments	68	69
	<u>73</u>	<u>73</u>

6 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.

7 Taxation

Tax charged/(credited) in the income statement

	2018 £ 000	2017 £ 000
Current taxation		
UK corporation tax	218	255
Deferred taxation		
Arising from origination and reversal of timing differences	11	1
Tax expense in the income statement	<u>229</u>	<u>256</u>

Partnerships in Care (Beverley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

7 Taxation (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Profit before tax	<u>931</u>	<u>1,083</u>
Corporation tax at standard rate	177	208
Effect of expense not deductible in determining taxable profit (tax loss)	6	7
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	10	1
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	(11)	4
Tax increase (decrease) from transfer pricing adjustments	<u>47</u>	<u>36</u>
Total tax charge	<u>229</u>	<u>256</u>

The company's profits for this accounting year are taxed at an effective rate of 19% (2017: 19.25%).

The main rate of corporation tax was reduced from 19% to 17% with effect from 1 April 2020. As 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

2018	Asset £ 000
Fixed asset timing differences	<u>1</u>
2017	Asset £ 000
Fixed asset timing differences	<u>12</u>

Partnerships in Care (Beverley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

8 Tangible fixed assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Motor vehicles £ 000	Total £ 000
Cost or valuation				
At 1 January 2018	142	387	32	561
Additions	-	23	-	23
Disposals	-	(76)	-	(76)
At 31 December 2018	142	334	32	508
Depreciation				
At 1 January 2018	37	157	21	215
Charge for the year	21	52	6	79
Eliminated on disposal	-	(76)	-	(76)
At 31 December 2018	58	133	27	218
Carrying amount				
At 31 December 2018	84	201	5	290
At 31 December 2017	105	230	11	346

9 Debtors

	2018 £ 000	2017 £ 000
Debtors	302	322
Amounts owed by related parties	3,391	2,624
Other debtors	9	3
Prepayments	4	1
Accrued income	4	2
Deferred tax assets	1	12
Total current trade and other debtors	3,711	2,964

Amounts owed by related parties are unsecured, non interest bearing and are repayable on demand.

10 Cash and cash equivalents

	2018 £ 000	2017 £ 000
Cash at bank	3	13

Partnerships in Care (Beverley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

11 Creditors

	Note	2018 £ 000	2017 £ 000
Due within one year			
Social security and other taxes		29	40
Outstanding defined contribution pension costs		4	-
Other payables		16	-
Accrued expenses		43	34
Income tax liability	7	218	255
		<u>310</u>	<u>329</u>

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

12 Share capital

Allotted, called up and fully paid shares

	No. 000	2018 £ 000	No. 000	2017 £ 000
Ordinary shares of £1 each	-	-	-	-

13 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £2,000 (2017 - £255,000).

14 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.

Partnerships in Care (Beverley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

14 Parent and ultimate parent undertaking (continued)

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, incorporated in United Kingdom.

The address of Priory Group UK 1 Limited is:

Fifth Floor, 80 Hammersmith Road, London, W14 8UD, United Kingdom.