

Partnerships in Care UK 1 Limited

Annual report and financial statements

For the year ended 31 December 2015

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Partnerships in Care UK 1 Limited

Company Information

Directors Christopher Howard
Joey Jacobs

Registered number 9057543

Registered office 2 Imperial Place
Maxwell Road
Borehamwood
Hertfordshire
WD6 1JN

Partnerships in Care UK 1 Limited

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Partnerships in Care UK 1 Limited

Strategic report For the year ended 31 December 2015

Introduction

The directors present their strategic report for the financial period ended 31 December 2015.

Business review

It is the intention to continue as a holding company and there are no planned changes for the immediate future.

Principal risks and uncertainties

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential risks for the Company. The Company's funding and liquidity is managed by the Company's finance department and is subject to internal control procedures. All significant financing transactions are authorised by the Board of Directors. The most important components of financial risk impacting the Company are liquidity risk, interest rate risk and credit risk – these are discussed in turn below

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. Cash forecasts identifying the liquidity requirements of the Company are produced frequently and are regularly reviewed to ensure that sufficient financial headroom exists for at least a 12-month period.

Interest rate risk

The Company finances its operations through a long term loan from its parent company. The Company's borrowings are denominated in sterling and are borrowed at a fixed interest rate.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full, when due. The amounts owed to the Company are from group undertakings and therefore the default risk is low.

Regulatory risk

The group is regulated by the Care Quality Commission, Health Improvement Scotland, Carehome Regulator for Scotland, Healthcare Inspectorate Wales and Carehome Regulator for Wales and therefore faces regulatory risk. To mitigate risk from our regulators we have the following proactive systems in place.

An internally run compliance team that conducts inspections and is led by the Director of Policy and Regulation. They inspect for compliance with national regulation as well as PiC policy and procedures. Their reports and also all regulatory reports are reviewed by PiC Clinical Governance Committee or through regional sub-committees and lessons learned are shared or inform policy or practice updates.

A patient-focused body of data is routinely recorded and also reported in the form of dashboards in real time. This includes, for example, incidents, complaints, safeguarding alerts, physical healthcare metrics, care plans in date, patient leave, activity, and progress.

Ward to Board Quality Monitoring and Assurance through the Partnerships in Care Ward to Board Quality Governance Framework oversees this activity. This enables us to deliver transparent, effective and responsive care and clarity of reporting throughout our services. The Corporate Clinical Governance and Corporate Management Committees meet monthly and are chaired by the Executive Medical Director, and the Group Chief Executive, respectively. The meetings are attended by the Operations Directors and Clinical Leads representative of all of our service lines. At the meetings, monthly quality reporting information from each hospital or service is reviewed and allow information to be cascaded from Ward to Board.

Partnerships in Care UK 1 Limited

**Strategic report (continued)
For the year ended 31 December 2015**

Financial key performance indicators

The Company's financial key performance indicators during the period were as follows:

	2015	2014
	£	£
Interest payable	22,476,506	11,348,524
Interest receivable	10,169,260	3,727,355
Net assets	217,201,079	120,216,978

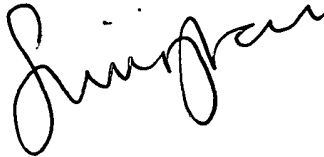
Interest was payable on a loan of £387,047,119 received from Acadia Healthcare Company Inc on 1 July 2014.

Interest was receivable on a loan of \$311,750,121 made to Partnerships in Care UK 2 Limited on 1 July 2014.

Net assets represents the difference between the Company's investment in its subsidiary and the inter group loan made to finance its acquisition.

This report was approved by the board on 27 September 2016 and signed on its behalf.

Sarah Livingston
Company secretary



Partnerships in Care UK 1 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 was incorporated on 27 May 2014 and changed its name from Piper Holdco 1 Limited to Partnerships in Care UK 1 Limited on 30 January 2015. The company is a holding company for trading companies.

Results and dividends

The loss for the year, after taxation, amounted to £3,367,738 (2014 - loss £383,116).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

Christopher Howard
Joey Jacobs

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going Concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and its exposures to credit, liquidity and interest rate risk are described in the Strategic Report on pages 1 to 2.

The company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company 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.

Partnerships in Care UK 1 Limited

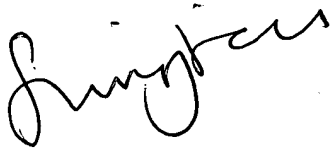
**Directors' report
For the year ended 31 December 2015**

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 September 2016 and signed on its behalf.

Sarah Livingston
Company secretary

A handwritten signature in black ink, appearing to read 'Livingston', written in a cursive style.

Partnerships in Care UK 1 Limited

Directors' responsibilities statement For the year ended 31 December 2015

The directors are responsible for preparing the Strategic report, 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 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;
- 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 UK 1 Limited

Independent auditors' report to the shareholders of Partnerships in Care UK 1 Limited

We have audited the financial statements of Partnerships in Care UK 1 Limited for the year ended 31 December 2015 which comprise of the statement of comprehensive income, statement of changes in equity, statement of financial position and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statement

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of the company's profit/loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Directors' Report have been prepared in accordance with applicable legal requirements.

Partnerships in Care UK 1 Limited

Independent auditors' report to the shareholders of Partnerships in Care UK 1 Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

ERNST & YOUNG LLP

Chris Nobbs (Senior statutory auditor)

for and on behalf of
Ernst & Young LLP

Statutory Auditors

Luton

Date: 30 SEPTEMBER 2016

Partnerships in Care UK 1 Limited

**Statement of comprehensive income
For the year ended 31 December 2015**

		12 months ended 31 December 2015 £	7 months ended 31 December 2014 £
Foreign exchange gain		8,939,508	7,238,053
		<hr/>	<hr/>
Operating profit		8,939,508	7,238,053
Interest receivable and similar income	6	10,169,260	3,727,355
Interest payable and expenses	7	(22,476,506)	(11,348,524)
		<hr/>	<hr/>
Loss before tax		(3,367,738)	(383,116)
Tax on loss	8	-	-
		<hr/>	<hr/>
Loss for the year		<u>(3,367,738)</u>	<u>(383,116)</u>

There were no recognised gains and losses for 2015 or 2014 other than those included in the income statement.

All amounts related to continuing operations.

The notes on pages 11 to 18 form part of these financial statements.

Partnerships in Care UK 1 Limited

**Statement of changes in equity
As at 31 December 2015**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 January 2015	40,200,032	80,400,062	(383,116)	120,216,978
Loss for the year	-	-	(3,367,738)	(3,367,738)
Total comprehensive income for the year	-	-	(3,367,738)	(3,367,738)
Shares issued during the year	33,450,613	66,901,226	-	100,351,839
At 31 December 2015	<u>73,650,645</u>	<u>147,301,288</u>	<u>(3,750,854)</u>	<u>217,201,079</u>

**Statement of changes in equity
As at 31 December 2014**

	Share capital £	Share premium £	Retained earnings £	Total equity £
Loss for the period	-	-	(383,116)	(383,116)
Total comprehensive income for the period	-	-	(383,116)	(383,116)
Shares issued during the period	40,200,032	80,400,062	-	120,600,094
At 31 December 2014	<u>40,200,032</u>	<u>80,400,062</u>	<u>(383,116)</u>	<u>120,216,978</u>

The notes on pages 11 to 18 form part of these financial statements.

Partnerships in Care UK 1 Limited
Registered number: 9057543

Statement of financial position
As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	9	412,848,005	312,496,164
Debtors: amounts falling due after more than one year	10	225,225,225	100,469,558
Total assets less current liabilities		<u>638,073,230</u>	<u>412,965,722</u>
Creditors: amounts falling due after more than one year	11	(420,872,151)	(292,748,744)
Net assets		<u>217,201,079</u>	<u>120,216,978</u>
Capital and reserves			
Called up share capital	12	73,650,645	40,200,032
Share premium account	13	147,301,288	80,400,062
Profit and loss account	13	(3,750,854)	(383,116)
Shareholders' funds		<u>217,201,079</u>	<u>120,216,978</u>

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



27 September 2016

Christopher Howard
Director

The notes on pages 11 to 18 form part of these financial statements.

Partnerships in Care UK 1 Limited

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

1. Statement of compliance

Partnerships in Care UK 1 Limited is a limited liability company incorporated in England. The Registered Office is 2 Imperial Place, Maxwell Road, Borehamwood, Hertfordshire, WD6 1JN.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2015.

The company transitioned from previously extant UK GAAP to FRS 102 as at 27 May 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 17.

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 United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 17.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest pound. Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

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

2.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.4 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 UK 1 Limited

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

2. Accounting policies (continued)

2.5 Interest income

Interest income is recognised in the Income statement using the effective interest method.

2.6 Taxation

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.

3. Judgements 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. Operating profit

The audit fee of £10,000 (2014 - £10,000) net of VAT for the current period period has been borne by another group company.

The operating profit is stated after crediting:

	12 months ended 31 December 2015 £	7 months ended 31 December 2014 £
Exchange differences	(8,939,508)	(7,238,053)

During the year, no director received any emoluments (2014 - £NIL).

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2014 - £NIL).

6. Interest receivable

	12 months ended 31 December	7 months ended 31 December
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Partnerships in Care UK 1 Limited

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

	2015 £	2014 £
Interest receivable from group companies	10,169,260	3,727,355
7. Interest payable and similar charges		
	12 months ended 31 December 2015 £	7 months ended 31 December 2014 £
Interest payable on intercompany loans	22,476,506	11,348,524
8. Taxation		
Analysis of tax charge/(credit) for the period		
Factors affecting tax charge for the year/period		
The tax assessed for the year/period is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21%). The differences are explained below:		
	12 months ended 31 December 2015 £	7 months ended 31 December 2014 £
Loss on ordinary activities before tax	(3,367,738)	(383,116)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21%)	(681,852)	(80,454)
Effects of:		
Group relief	681,852	80,454
Total tax charge for the year/period	<u>-</u>	<u>-</u>

Partnerships in Care UK 1 Limited

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

8. Taxation (continued)

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.

9. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2015	312,496,164
Additions	100,351,841
At 31 December 2015	<u>412,848,005</u>
Net book value	
At 31 December 2015	<u>412,848,005</u>
At 31 December 2014	<u><u>312,496,164</u></u>

Partnerships in Care UK 1 Limited

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

Principal subsidiaries

Name	Country of incorporation	Holding	Principal activity
Partnerships in Care UK 2 Limited	England and Wales	100%	Holding company for trading and property holding company
Partnerhsips in Care Investments 1 Limited	England and Wales	100%	Holding company for trading and property holding company
Partnerships in Care Management Limited	England and Wales	100%	Holding company for trading and property holding company
Partnerships in Care Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care Scotland Limited	England and Wales	100%	Mental healthcare services
Oaktree Care Group Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care (Schools) Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care Management 2 Limited	England and Wales	100%	Holding company for trading companies
Partnerships in Care (2016) Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care (Ivydene) Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care (Albion) Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care (Brunswick) Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care (Beverley) Limited	England and Wales	100%	Mental healthcare services
The Manor Clinic Limited	England and Wales	100%	Mental healthcare services
Manor Hall Specialist Care Partnerships Limited	Scotland	100%	Mental healthcare services
Glentworth House Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care (Cleveland) Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care (Pastoral) Limited	England and Wales	100%	Holding company for trading companies
Partnerships in Care (Rhondda) Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care (Cardiff) Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care 1 Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care (Nelson) Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care (Oak Vale) Holding Company Limited	England and Wales	100%	Holding company for trading companies
Partnerships in Care (Oak Vale) Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care (Oak Vale) Property Holding Company Limited	England and Wales	100%	Property holding company
Partnerships in Care (Vancouver) Holding Company Limited	England and Wales	100%	Holding company for trading companies
Partnerships in Care (Vancouver) Limited	England and Wales	100%	Mental healthcare services
Partnerships in Care (Vancouver) Property Holding Company Limited	England and Wales	100%	Property holding company
Partnerships in Care Property Holding Company Limited	England and Wales	100%	Holding company for property companies
Partnerships in Care Property 1 Limited	England and Wales	100%	Property holding company
Partnerships in Care Investments 2 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 2 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 3 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 4 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 5 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 6 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 7 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 8 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 9 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 10 Limited	England and Wales	100%	Property holding company

Partnerships in Care UK 1 Limited

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

Principal subsidiaries (continued)

Name	Country of incorporation	Holding	Principal activity
Partnerships in Care Property 11 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 12 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 13 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 14 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 15 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 16 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 17 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 18 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 19 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 20 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 21 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 22 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 23 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 24 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 25 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 26 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 27 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 28 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 29 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 30 Limited	England and Wales	100%	Property holding company
Partnerships in Care Property 31 Limited	England and Wales	100%	Property holding company
Partnerships in Care (Cleveland) Holding Company Limited	England and Wales	100%	Holding company for property company
Partnerships in Care (Cleveland) Property Holding Company Limited	England and Wales	100%	Property holding company

Partnerships in Care UK 2 Limited is the only subsidiary directly held by the Company. In the opinion of the directors the investments in and the amounts due from the Company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

10. Debtors

	2015 £	2014 £
Due after more than one year		
Amounts owed by group undertakings	225,225,225	100,469,558
	<u>225,225,225</u>	<u>100,469,558</u>

Amounts owed by group undertakings includes an unsecured loan to Partnerships in Care UK 2 Limited of \$311,750,121 (£210,613,512) (2014 - \$150,000,003 (£96,574,815)) with interest at 6.8% pa which is repayable 1 July 2022. The directors have assessed the fair market value of the loan to be consistent with its book value.

Partnerships in Care UK 1 Limited

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

11. Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to group undertakings	<u>420,872,151</u>	<u>292,748,744</u>

Secured loans

Amounts owed to group undertakings includes an unsecured loan from Acadia Healthcare Company Inc of £387,047,119 (£281,400,220) with interest at 6.8% pa which is repayable on 1 July 2022. The directors have assessed the fair market value of the loan to be consistent with its book value.

12. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
73,650,645 (2014 - 40,200,032) Ordinary shares of £1 each	<u>73,650,645</u>	<u>40,200,032</u>

During the year the Company issued 33,450,613 ordinary £1 shares for consideration of £100,351,839.

13. Reserves

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit & loss account

The profit and loss account includes all current and prior period retained profit and losses.

14. Contingent liabilities

The Company has given a pledge to Bank of America Merrill Lynch over 65% of its share ownership of Partnerships in Care UK 2 Limited. In addition it has given a further pledge to Bank of America Merrill Lynch over 100% of any loans made to its subsidiary undertakings.

15. Post balance sheet events

On 16 February 2016, Whitewell UK Investments 1 Limited, the Company's indirect wholly-owned subsidiary, acquired the entire issued share capital of Priory Group No. 1 Limited (the "Acquisition"). The corporate group was restructured as part of the Acquisition which involved the contribution of the entire issued share capital of the Company's wholly owned subsidiary, Partnerships in Care UK 2 Limited, by the Company to Whitewell UK Holding Company 1 Limited in consideration for the issue of two ordinary shares in the capital of Whitewell UK Holding Company 1 Limited to the Company. The Company's ultimate parent company has not changed and is still Acadia Healthcare Company, Inc.

Partnerships in Care UK 1 Limited

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

16. Controlling party

The immediate parent undertaking is Acadia Healthcare Company Inc.

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

The largest and smallest 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.

17. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.