

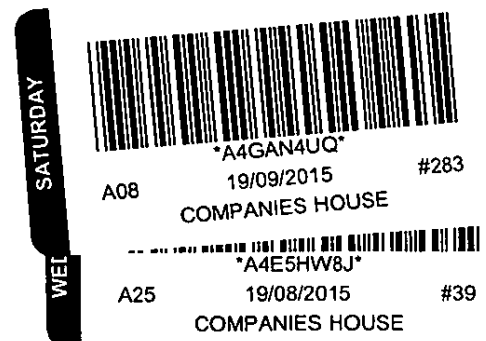
Registered number: 9059930

PARTNERSHIPS IN CARE
PROPERTY 5 LIMITED 5406117

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Directors' report and financial statements

For the seven month period ended 31 December 2014



Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

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Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Directors' report

For the seven month period ended 31 December 2014

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

Principal activities

The Company was incorporated on 28 May 2014 and is ultimately owned by Acadia Healthcare Company Inc. The Company was incorporated in order to undertake the acquisition of the Partnerships in Care Group in the UK.

On 1 July 2014 Partnerships in Care UK 1 Limited acquired 100% of the ordinary share capital of the Company, the Company in turn acquired 100% of the ordinary share capital of Partnerships in Care Investments 1 Limited.

On 30 January 2015 the Company changed its name from Piper Holdco 2 Limited to Partnerships in Care UK 2 Limited.

The Company is a holding company, the Group is Partnerships in Care UK 2 Limited, which provides mental healthcare services.

Results and dividends

The loss for the period, after taxation, amounted to £16,630,343.

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the period were:

Christopher Howard (appointed 28 May 2014)

Joey Jacobs (appointed 28 May 2014)

There are no directors retiring by rotation.

Events since the end of the year

On 1 April 2015 the Group acquired 100% of the share capital of Partnerships in Care (Rhondda) Limited - (formerly Pastoral Cymru Limited) and Partnerships in Care (Cardiff) Limited - (formerly Pastoral Cymru (Cardiff) Limited). The acquisitions increased the Group's bed capacity by 65 beds. Both companies are registered in England and Wales.

On 2 April 2015 the Group acquired 100% of the share capital of Partnerships in Care (Bromley) Limited - (formerly Bromley Road Limited), Partnerships in Care (Ivydene) Limited - (formerly Ivydene Willenhall Limited) and Partnerships in Care (Albion) Limited - (formerly Prime Care Choice Limited). The acquisitions increased the Group's bed capacity by 78 beds. All three companies are registered in England and Wales.

On 1 June 2015 the Group acquired 100% of the share capital of Partnerships in Care (Beverley) Limited - (formerly City Road Edgebaston Limited), Partnerships in Care (Brunswick) Limited - (formerly Brunswick Birmingham Limited) and Partnerships in Care 1 Limited - (formerly Care UK Mental Health Partnerships Limited). The acquisitions increased the Group's bed capacity by 359 beds. All three companies are registered in England and Wales.

Employee involvement

The Group nurtures commitment and excellence in its staff by encouraging the active involvement of all staff at all levels in the organisation's primary objective of improving patient care. Staff are encouraged to strive continually for improvements in all aspects of the business and to be active members of the team in which they work. All levels of staff engage in the 'Listen, share, learn and have your say' events held across the UK, which involve patients and family/carers. We give two-way internal communication high priority, with staff able to contribute their ideas centrally and give their views on new developments.

We strive continually to get higher levels of staff retention, to promote equality and diversity in our workforce, and to support self-development where consistent with the organisation's objectives.

Disabled employees

The Group recognises that it has clear obligations towards all its employees and the community at large to ensure that people with disabilities are afforded equal opportunities to enter employment and to progress within the Group.

In addition to complying with the requirements of the Equality Act 2010, the Group has established procedures designed to provide for fair consideration and selection of disabled applicants and to satisfy their training and career development needs. Where employees become disabled in the course of their employment, the Group will attempt to ensure they remain in employment by making reasonable adjustments to accommodate their disability.

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Directors' report

For the seven month period ended 31 December 2014

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 and the Group'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 and the Group's auditors are aware of that information

Independent auditors

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier

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



Sarah Livingston
Company secretary

2 Imperial Place
Maxwell Road
Borehamwood
Hertfordshire
WD6 1JN

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Directors' responsibilities statement

For the seven month period ended 31 December 2014

The directors are responsible for preparing the Group 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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and the profit or loss of the Group 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Group strategic report For the seven month period ended 31 December 2014

Introduction

The directors present their strategic report for the financial period ended 31 December 2014

Business review

2014 was a positive period for Partnerships in Care (PiC). The continuing strong demand from the NHS for high quality secure and specialist services in the independent sector is reflected in PiC's increased referrals, admissions and occupancy figures.

Mental health provision continues to be subject to a number of reviews that help to inform the future delivery of quality, compassionate patient care. PiC regularly engages with all stakeholders including policy makers, local and central government to continue to deliver best outcomes for both the NHS and patients. In 2014 PiC achieved 100% of CQUIN targets, and high levels of regulatory compliance.

Our enhanced ward to board structure and real time reporting promote openness and transparency and informs PiC's operational and clinical strategies. They also help us to innovate and continually improve our practice based on feedback from staff, patients, families, friends and commissioners. We remain committed to recruiting and retaining high quality healthcare staff, and in 2014, we successfully developed learning platforms and a leadership development programme to support our workforce in their professional development.

In 2015 the NHS and in particular mental health services are increasingly becoming a key focus of the pre-election campaigns. The continuing financial restraints of the NHS budgets provide an opportunity for all providers to work together on new models of care that are at the heart of the NHS Five Year Forward View.

At year-end 2014, the Group's performance met or exceeded all financial performance measures and those set by regulatory authorities and by the Department of Health's Commissioning for Quality and Innovation (CQUIN) targets. The Group had a total of 11 inspections from the regulators (Care Quality Commission, Health Improvement Scotland and Healthcare Inspectorate Wales) throughout the year in which the majority of our hospitals proved their compliance to standards through positive reports.

Future developments

PiC's new ownership by Acadia Healthcare is enabling us to further extend our care pathways that meet patient and commissioner needs. For the immediate future, we remain optimistic about our partnership working with the NHS, and we are committed to delivering the highest quality of care, extending our patient care pathways, innovation and new ways of working, and high levels of staff and patient engagement, so that we maintain our position as a leader in the specialist healthcare sector.

Principal risks and uncertainties

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential risks for the Group. The Group's funding, liquidity and exposure to interest rate risk is managed by the Group'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 Group are price risk, liquidity risk, interest rate risk and to a lesser extent credit risk – these are discussed in turn below.

Price risk

The Group's main customer for its mental health services is the National Health Service and any change in government policy resulting in a reduction in the fee rate received for the treatment of patients referred would constitute a risk to the Group. This has been a risk faced by the Group since it began to trade in 1991. Despite changes in the structure of NHS commissioning, the Group does not see the likelihood of any significant change in the close partnership between PiC and the NHS. The current government policy remains committed to the role of independent healthcare provision.

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Group strategic report (continued)

For the seven month period ended 31 December 2014

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 Group 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 Group finances its operations through an inter group loan. The Group's loan is denominated in US dollars and is borrowed at a fixed interest rate of 8% per annum which is repayable 1 July 2022.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full, when due. With over 90% of our customers being quasi government organisations, the default risk is low. Late payment risk is managed through focused collection activities, coupled with both cash clearance and outstanding debt targets.

Financial key performance indicators

The Group prepares detailed financial budgets and projections for all of its facilities and operations, against which actual performance is monitored.

These projections relate both to the operational performance of existing units and to capital projects, where emphasis is placed upon cost control and achievement of completion deadlines.

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

	2014 £
Turnover	92,907,436
Operating profit (excluding exceptional items)	11,594,456
Shareholders' funds	294,469,970
Average number of employees	3,263
Quick ratio (Current assets - Stock / Current liabilities)	1.69

Exceptional costs of £13,087,000 were incurred during the year as a result of the sale of the Group to Acadia Healthcare Company Inc, a leading US company in the treatment of specialty behavioral health and addiction disorders. The acquisition of the Group by Acadia Healthcare leaves it well placed to deliver a strong performance in 2015.

The Group manages working capital to ensure high customer service levels and good financial performance which is reflected in the Quick ratio of 1.69.

Quality and compliance with regulations

The Group operates in a highly regulated environment and its care facilities are registered by the Care Quality Commission (CQC) in England, Health Improvement Scotland (HIS) or the Healthcare Inspectorate Wales (HIW).

The quality of care provided by the Group and its compliance with regulation are monitored in a structured manner. The Director of Policy and Regulation regularly visits the Group's facilities to check compliance with the statutory standards of care. Care quality is also subject to continuous review by the senior managers and executive directors at regional, local and national level.

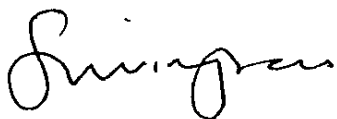
Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Group strategic report (continued)

For the seven month period ended 31 December 2014

Senior managers and executive directors visit sites regularly and use dashboards supported by audits and local and regional scrutiny to maintain continuous review of care quality. The Group's management structure is one of accountable leadership with clear lines of accountability from ward and hospital level, through Regional Executive Directors located at the hospitals under their management, to the Group Chief Executive and the Board.

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



Sarah Livingston
Company secretary

Independent auditors' report to the members of Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

We have audited the financial statements of Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited) for the seven month period ended 31 December 2014, set out on pages 8 to 29. 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).

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 Auditors' 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, 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 statements

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 Group's and the parent 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 Group strategic report and the Directors' report 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 Group's and the parent Company's affairs as at 31 December 2014 and of the Group's loss for the seven month period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 Group strategic report and the Directors' report for the financial seven month period for which the financial statements are prepared is consistent with the financial statements.

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 parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent 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.



Chris Nobbs (Senior Statutory Auditor)
For and on behalf of
Ernst & Young LLP
Chartered Accountants and Statutory Auditors
Luton

12 June 2015

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Consolidated profit and loss account For the seven month period ended 31 December 2014

	Note	Period 28 May to 31 December 2014 £
Turnover	2	92,907,436
Cost of sales		(59,521,101)
Gross profit		<u>33,386,335</u>
Administrative expenses		(14,553,824)
Exceptional administrative expenses	9	(13,087,000)
Total administrative expenses		(27,640,824)
Foreign exchange loss		(7,238,055)
Operating loss	3	(1,492,544)
Interest receivable and similar income		24,032
Interest payable and similar charges (including exceptional debt issue cost amortisation)	7	(18,016,426)
Other finance expenses	8	(118,000)
Loss on ordinary activities before taxation		<u>(19,602,938)</u>
Tax on loss on ordinary activities	10	2,972,595
Loss for the financial period	21	<u><u>(16,630,343)</u></u>

All amounts relate to continuing operations

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

The notes on pages 12 to 29 form part of these financial statements

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Consolidated statement of total recognised gains and losses For the seven month period ended 31 December 2014

	Note	Period 28 May to 31 December 2014 £
Loss for the financial period		(16,630,343)
Actuarial loss related to pension scheme		(1,778,000)
Deferred tax attributable to actuarial gain		382,148
Total recognised gains and losses relating to the period		<u>(18,026,195)</u>

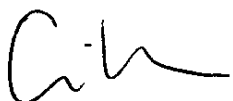
The notes on pages 12 to 29 form part of these financial statements

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)
Registered number: 9059930

Consolidated balance sheet
As at 31 December 2014

	Note	£	2014 £
Fixed assets			
Intangible assets	11		6,719,659
Tangible assets	12		384,549,294
Investments	13		1
			<u>391,268,954</u>
Current assets			
Stocks	15	607,410	
Debtors	16	9,658,467	
Cash at bank and in hand		9,844,870	
		<u>20,110,747</u>	
Creditors: amounts falling due within one year	17	<u>(11,519,373)</u>	
Net current assets			<u>8,591,374</u>
Total assets less current liabilities			<u>399,860,328</u>
Creditors: amounts falling due after more than one year	18		<u>(100,469,558)</u>
Net assets excluding pension scheme liability			<u>299,390,770</u>
Defined benefit pension scheme liability	25		<u>(4,920,800)</u>
Net assets including pension scheme liability			<u><u>294,469,970</u></u>
Capital and reserves			
Called up share capital	20		78,124,042
Share premium account	21		234,372,123
Profit and loss account	21		<u>(18,026,195)</u>
Shareholders' funds	22		<u><u>294,469,970</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 June 2015



Christopher Howard
Director

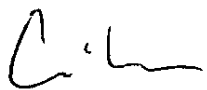
The notes on pages 12 to 29 form part of these financial statements

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)
Registered number: 9059930

Company balance sheet
As at 31 December 2014

	Note	2014 £
Fixed assets		
Investments	13	1
Current assets		
Debtors	16	418,212,489
Total assets less current liabilities		418,212,490
Creditors: amounts falling due after more than one year	18	(100,469,558)
Net assets		<u>317,742,932</u>
Capital and reserves		
Called up share capital	20	78,124,042
Share premium account	21	234,372,123
Profit and loss account	21	5,246,767
Shareholders' funds	22	<u>317,742,932</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 June 2015


Christopher Howard
 Director

The notes on pages 12 to 29 form part of these financial statements

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

1. Accounting policies

1.1 Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Cash flow

The Group, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the Group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Related party disclosure

As the Company is a wholly owned subsidiary of Partnerships in Care UK 1 Limited, (as disclosed in note 28), the Company has taken advantage of the exemption contained in FRS 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

1.4 Basis of consolidation

The financial statements consolidate the accounts of Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited) and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the period are included from the effective date of acquisition.

1.5 Turnover

Turnover comprises revenue recognised by the Group in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

Turnover is recognised on the day of provision of the service to the service user.

1.6 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life of 20 years. The carrying value of goodwill is reviewed for impairment when events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable.

1.7 Tangible fixed assets and depreciation

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

Freehold property	-	over 50 years straight line
Plant & machinery	-	over 7 to 10 years straight line
Motor vehicles	-	over 4 years straight line
Fixtures & fittings	-	over 5 to 10 years straight line
Computer equipment	-	over 3 to 7 years straight line

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the tangible fixed assets may not be recoverable.

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements For the seven month period ended 31 December 2014

1. Accounting policies (continued)

1.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment. The carrying value of investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable.

1.9 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes direct purchase costs.

1.11 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.13 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the period.

The Group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 December 2013.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

2. Turnover

The directors are of the opinion that the businesses of the Group are substantially similar in that they all relate to the provision of healthcare services, therefore there is only one class of business

All turnover arose within the United Kingdom

3. Operating loss

The operating loss is stated after charging/(crediting)

	Period 28 May to 31 December 2014 £
Amortisation - intangible fixed assets	172,299
Depreciation of tangible fixed assets	
- owned by the group	6,307,693
- held under finance leases	1,606
Operating lease rentals	
- plant and machinery	279,859
- other operating leases	207,830
Difference on foreign exchange	7,238,055
	<hr/>

4. Auditors' remuneration

	Period 28 May to 31 December 2014 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	97,000
	<hr/>

5 Staff costs

Staff costs, including directors' remuneration, were as follows

	Period 28 May to 31 December 2014 £
Wages and salaries	44,515,222
Social security costs	4,275,014
Other pension costs	1,375,198
	<hr/>
	50,165,434
	<hr/>

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

5 Staff costs (continued)

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

	Period 28 May to 31 December 2014 No
Operations	2,789
Administration	474
	<hr/> 3,263 <hr/>

6. Directors' remuneration

During the period retirement benefits were accruing to no directors in respect of defined contribution pension schemes

During the period retirement benefits were accruing to no directors in respect of defined benefit pension schemes

During the year, no director received any emoluments. The directors are remunerated by Acadia Healthcare Company Inc as their services to the Company are merely incidental to their services in other companies.

7 Interest payable

	Period 28 May to 31 December 2014 £
On bank loans and overdrafts	420,104
On other loans	3,727,355
Accelerated amortisation of debt issue costs	13,868,967
	<hr/> 18,016,426 <hr/>

Fees incurred in arranging the Group's bank financing arrangements were capitalised and were being amortised to the profit and loss account over the life of the bank loan. Following the acquisition of the Group by Acadia Healthcare Company Inc and the subsequent repayment of the bank loans the unamortised balance of these fees amounting to £13,868,967 has been expensed to the profit and loss account.

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

8. Other finance expenses

	Period 28 May to 31 December 2014 £
Expected return on pension scheme assets	771,000
Interest on pension scheme liabilities	(889,000)
	<u>(118,000)</u>

9. Exceptional items

	Period 28 May to 31 December 2014 £
Management incentive payment	13,087,000

As a result of the acquisition of the Group by Acadia Healthcare Company Inc certain members of the management team received a payment under the terms of the management incentive plan

10. Taxation

	Period 28 May to 31 December 2014 £
Analysis of tax credit in the period	
Deferred tax (see note 19)	
Origination and reversal of timing differences	(2,972,595)
Tax on loss on ordinary activities	<u>(2,972,595)</u>

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

10. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 21%. The differences are explained below

	Period 28 May to 31 December 2014 £
Loss on ordinary activities before tax	(19,602,938)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21%	(4,116,617)
Effects of:	
Expenses not deductible for tax purposes - fixed assets	807,654
Depreciation in excess of capital allowances	288,926
Expenses not deductible for tax purposes	2,167
Unrelieved tax losses carried forward	3,111,134
Losses from parent company	(80,454)
Other differences leading to an increase (decrease) in the tax charge	(12,810)
Current tax charge for the period (see note above)	-

Factors that may affect future tax charges

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

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

11. Intangible fixed assets

Group	Goodwill £
Cost	
At 28 May 2014	-
Additions	6,891,958
At 31 December 2014	<u>6,891,958</u>
Amortisation	
At 28 May 2014	-
Charge for the period	172,299
At 31 December 2014	<u>172,299</u>
Net book value	
At 31 December 2014	<u><u>6,719,659</u></u>

On 1 July 2014 Partnerships in Care UK 2 Limited acquired 100% of the ordinary share capital of the Partnerships in Care Investments 1 Limited

Goodwill

	Book value £	Provisional fair value adjustment £	Fair value £
Tangible fixed assets	238,498,337	130,990,212	369,488,549
Stock	591,984	-	591,984
Debtors	21,182,337	-	21,182,337
Cash	11,856,315	-	11,856,315
Creditors due within one year	(9,643,155)	-	(9,643,155)
Creditors due after one year	(447,365,470)	52,122,076	(395,243,394)
Deferred tax	(1,577,393)	-	(1,577,393)
Pension liability	(3,547,200)	-	(3,547,200)
Net liabilities	<u>(190,004,245)</u>	<u>183,112,288</u>	<u>(6,891,957)</u>
Consideration			1
Goodwill			<u><u>6,891,958</u></u>

Provisional fair value adjustments

A valuation of the Group's freehold property was carried out as at 1 July 2014 which resulted in its carrying value being increased by £130,990,212 to £356,320,000

Bank loans totalling £395,243,394 were repaid at the time of the acquisition of the Group by Partnerships in Care UK 1 Limited, the balance of the bank loans amounting to £52,122,076 were waived

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

12 Tangible fixed assets

Group	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost						
At 28 May 2014	-	-	-	-	-	-
Additions	18,848,905	984,002	100,612	1,097,397	360,501	21,391,417
Disposals	(10,349)	(70,078)	(8,679)	(97,878)	(4,264)	(191,248)
On acquisition of subsidiaries	356,590,824	3,366,050	670,144	5,691,900	3,169,631	369,488,549
Transfer between classes	27,037	(5,863)	(941)	(26,942)	6,709	-
At 31 December 2014	<u>375,456,417</u>	<u>4,274,111</u>	<u>761,136</u>	<u>6,664,477</u>	<u>3,532,577</u>	<u>390,688,718</u>
Depreciation						
At 28 May 2014	-	-	-	-	-	-
Charge for the period	4,235,708	416,030	125,884	1,034,950	496,727	6,309,299
On disposals	(862)	(60,128)	(8,679)	(96,143)	(4,063)	(169,875)
Transfer between classes	(7)	(13,882)	2,835	(2,376)	13,430	-
At 31 December 2014	<u>4,234,839</u>	<u>342,020</u>	<u>120,040</u>	<u>936,431</u>	<u>506,094</u>	<u>6,139,424</u>
Net book value						
At 31 December 2014	<u>371,221,578</u>	<u>3,932,091</u>	<u>641,096</u>	<u>5,728,046</u>	<u>3,026,483</u>	<u>384,549,294</u>

13. Fixed asset investments

Group and Company	Investments in subsidiary companies £
Cost	
At 28 May 2014	-
Additions	1
At 31 December 2014	<u>1</u>
Net book value	
At 31 December 2014	<u>1</u>

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

14. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Partnerships in Care Investments 1 Limited	England and Wales	100 %	Holding company for trading and property holding companies
Partnerships in Care Management Limited	England and Wales	100 %	Holding company for trading companies
Partnerships in Care Limited	England and Wales	100 %	Mental healthcare services
Oaktree Care Group Limited	England and Wales	100 %	Mental healthcare services
Partnerships in Care Scotland Limited	England and Wales	100 %	Mental healthcare services
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 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 Investments 1 Limited is the only subsidiary directly held by the Company

In the opinion of the directors the investments in and amounts due from the Company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet

15. Stocks

	Group	Company
	2014	2014
	£	£
Finished goods and goods for resale	607,410	-

The difference between the carrying value of stocks and their replacement cost is not material

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

16 Debtors

	<u>Group</u>	<u>Company</u>
	2014	2014
	£	£
Trade debtors	4,311,276	-
Amounts owed by group undertakings	-	418,212,489
Other debtors	266,229	-
Prepayments and accrued income	3,647,012	-
Deferred tax asset (see note 19)	1,433,950	-
	<u>9,658,467</u>	<u>418,212,489</u>

Amounts owed by group undertakings includes an unsecured loan of £402,000,312 to Partnerships in Care Investments 1 Limited with interest at 8% per annum which is repayable on demand

17. Creditors Amounts falling due within one year

	<u>Group</u>	<u>Company</u>
	2014	2014
	£	£
Trade creditors	1,213,443	-
Corporation tax	2	-
Other taxation and social security	2,555,077	-
Other creditors	1,489,891	-
Accruals and deferred income	6,260,960	-
	<u>11,519,373</u>	<u>-</u>

18. Creditors Amounts falling due after more than one year

	<u>Group</u>	<u>Company</u>
	2014	2014
	£	£
Amounts owed to group undertakings	<u>100,469,558</u>	<u>100,469,558</u>

Creditors include amounts not wholly repayable within 5 years as follows

	<u>Group</u>	<u>Company</u>
	2014	2014
	£	£
Repayable other than by instalments	<u>100,469,558</u>	<u>100,469,558</u>

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

18 Creditors:
Amounts falling due after more than one year (continued)

Amounts owed to group undertakings includes an unsecured loan of \$150,000,003 (£96,574,815) from Partnerships in Care UK 1 Limited with interest at 8% per annum which is repayable 1 July 2022

19. Deferred taxation

	<u>Group</u>	<u>Company</u>
	2014	2014
	£	£
At beginning of period	-	-
Credit for the period	2,972,595	-
On acquisition of subsidiaries	(1,577,393)	-
Movement in relation to defined benefit pension scheme	38,748	-
	<u>1,433,950</u>	<u>-</u>

The provision for deferred taxation is made up as follows

	<u>Group</u>	<u>Company</u>
	2014	2014
	£	£
Accelerated capital allowances	2,776,809	-
Tax losses brought forward	(4,169,112)	-
Short term timing differences	(41,647)	-
	<u>(1,433,950)</u>	<u>-</u>

There is unprovided deferred tax in respect of revaluation uplifts in the properties (upon acquisition) of £25,860,743

20. Called up share capital

	2014
	£
Allotted, called up and fully paid	
78,124,042 Ordinary shares of £1 each	<u>78,124,042</u>

During the period the Company issued 78,124,042 ordinary £1 shares for consideration of £312,496,165

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

21. Reserves

Group	Share premium account £	Profit and loss account £
Loss for the financial period		(16,630,343)
Pension reserve movement		(1,395,852)
Premium on shares issued during the period	234,372,123	
	<u>234,372,123</u>	<u>(18,026,195)</u>
At 31 December 2014	<u>234,372,123</u>	<u>(18,026,195)</u>

Company	Share premium account £	Profit and loss account £
Profit for the financial period		5,246,767
Premium on shares issued during the period	234,372,123	
	<u>234,372,123</u>	<u>5,246,767</u>
At 31 December 2014	<u>234,372,123</u>	<u>5,246,767</u>

The closing balance on the Profit and loss account includes a £1,395,852 credit, stated after deferred taxation of £382,148, in respect of pension scheme liabilities of the Group and Company pension scheme

22 Reconciliation of movement in shareholders' funds

Group	2014 £
Opening shareholders' funds	-
Loss for the financial period	(16,630,343)
Shares issued during the period	78,124,042
Share premium on shares issued (net of expenses)	234,372,123
Other recognised gains and losses during the period	(1,395,852)
Closing shareholders' funds	<u>294,469,970</u>

Company	2014 £
Opening shareholders' funds	-
Profit for the financial period	5,246,767
Shares issued during the period	78,124,042
Share premium on shares issued (net of expenses)	234,372,123
Closing shareholders' funds	<u>317,742,932</u>

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The profit for the period dealt with in the accounts of the Company was £5,246,767

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

23. Contingent liabilities and S479A Companies Act 2006 exemption

The Company has provided a guarantee in respect of the outstanding liabilities of the subsidiary companies listed below in accordance with sections 479A - 479C of the Companies Act 2006, as these UK subsidiary companies of the Group are exempt from the requirements of the Companies Act 2006 relating to the audit of the accounts by virtue of Section 479A of this Act

Partnerships in Care Investments 1 Limited - Register Number 7773948
 Partnerships in Care Management Limited - Register Number 5401308
 Partnerships in Care Limited - Register Number 2622784
 Oaktree Care Group Limited - Register Number 4785303
 Partnerships in Care Scotland Limited - Register Number 4727112
 Partnerships in Care Property 1 Limited - Register Number 5403392
 Partnerships in Care Property 2 Limited - Register Number 5406092
 Partnerships in Care Property 3 Limited - Register Number 5406109
 Partnerships in Care Property 4 Limited - Register Number 5406112
 Partnerships in Care Property 5 Limited - Register Number 5406117
 Partnerships in Care Property 6 Limited - Register Number 5406120
 Partnerships in Care Property 7 Limited - Register Number 5406122
 Partnerships in Care Property 8 Limited - Register Number 5406123
 Partnerships in Care Property 9 Limited - Register Number 5406127
 Partnerships in Care Property 10 Limited - Register Number 5406132
 Partnerships in Care Property 11 Limited - Register Number 5406140
 Partnerships in Care Property 12 Limited - Register Number 5406148
 Partnerships in Care Property 13 Limited - Register Number 5406155
 Partnerships in Care Property 14 Limited - Register Number 5406163
 Partnerships in Care Property 15 Limited - Register Number 5406176
 Partnerships in Care Property 17 Limited - Register Number 5613363
 Partnerships in Care Property 18 Limited - Register Number 5613375
 Partnerships in Care Property 19 Limited - Register Number 5613394
 Partnerships in Care Property 20 Limited - Register Number 5613407
 Partnerships in Care Property 21 Limited - Register Number 5613357

The Company's parent company, Partnerships in Care UK 1 Limited, has given a pledge to Bank of America Merrill Lynch over 65% of the Company's share capital. In addition the parent company has given a further pledge to Bank of America Merrill Lynch over 100% of the value of the loan it has made to the Company

24. Capital commitments

At 31 December 2014 the Group and Company had capital commitments as follows

	<u>Group</u>	<u>Company</u>
	2014	2014
	£	£
Contracted for but not provided in these financial statements	4,109,313	-

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,013,183. Contributions totalling £199,788 were payable to the fund at the balance sheet date and are included in creditors.

The Group also operates a Defined benefit pension scheme

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

25. Pension commitments (continued)

The Group operates a defined benefits pension scheme in the UK, the Partnerships in Care Limited Pension and Life assurance Plan. The Plan was closed to new entrants from May 2005. Employed members continue to accrue benefits that are linked to final pensionable salary and service at retirement (or earlier date of leaving). The disclosures set out below are based on calculations carried out as at 31 December 2014 by a qualified independent actuary.

The assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the Plan are required to act in the best interest of the Plan's beneficiaries. The appointment of members of the trustee board is determined by the trust documentation.

The liabilities of the Plan are measured by discounting the best estimate of future cash flows to be paid out of the Plan using the projected unit method. This amount is reflected in the shareholders' funds in the balance sheet. The projected unit method is an accrued benefits valuation method in which the Plan's liabilities make allowance for projected earnings.

The liabilities set out in this note have been calculated based on the most recent full actuarial valuation at 31 December 2013, updated to 31 December 2014. The results of the calculations and the assumptions adopted are shown below.

As at 31 December 2014, contributions are payable to the Plan at the rates set out in the latest schedule of contributions. The total employer contributions expected to be made in the year commencing 1 January 2015 are at the rate of 18.6% of pensionable salaries plus £878,000 recovery plan contributions.

The amounts recognised in the Balance sheet are as follows:

	Period 28 May to 31 December 2014 £
Present value of funded obligations	(43,079,000)
Fair value of scheme assets	36,928,000
	<hr/>
Deficit in scheme	(6,151,000)
Related deferred tax asset	1,230,200
	<hr/>
Net liability	(4,920,800)
	<hr/>

The amounts recognised in profit or loss are as follows:

	Period 28 May to 31 December 2014 £
Current service cost	(349,000)
Interest on obligation	(889,000)
Expected return on scheme assets	771,000
	<hr/>
Total	(467,000)
	<hr/>
Actual return on scheme assets	2,039,000
	<hr/>

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

25 Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows

	Period 28 May to 31 December 2014 £
Current service cost	349,000
Interest cost	889,000
Contributions by scheme participants	101,000
Actuarial Losses	3,046,000
Liabilities assumed in a business combination	39,038,000
Benefits paid	(344,000)
	<hr/>
Closing defined benefit obligation	43,079,000
	<hr/> <hr/>

Changes in the fair value of scheme assets were as follows

	Period 28 May to 31 December 2014 £
Expected return on assets	771,000
Actuarial gains and (losses)	1,268,000
Contributions by employer	528,000
Contributions by scheme participants	101,000
Assets acquired in a business combination	34,604,000
Benefits paid	(344,000)
	<hr/>
	36,928,000
	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of total recognised gains and losses was £1,778,000

The Group expects to contribute £1,056,000 to its Defined benefit pension scheme in 2015

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

25. Pension commitments (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2014
Equities	26.20 %
Gilts	16.10 %
Bonds	28.60 %
Real Return Fund	27.80 %
Cash	1.30 %

A weighted expected rate of return on assets is calculated by considering the scheme's specific asset distribution. The expected rate of return on assets has been calculated as 4.30% pa by considering the following rates of expected return on the individual asset classes at 31 December 2014. The rates are assumed to be net of investment expenses.

The long term historic out performance of "equities" over very long-term gilts has resulted in the rate used being 5.25% pa.

For "gilts", from considering the yields currently available on 15 year fixed gilts, the rate used is 2.20% pa.

For "bonds", from considering consistency with the discount rate, which is linked to the yields available on corporate bonds, the rate used is 3.60% pa.

The "real return fund" rate used is 5.25% pa.

For "cash", having regard to the current Bank of England base rate, the rate used is 0.5% pa.

Principal actuarial assumptions at the Balance sheet date were

	2014
Rate of increase in salaries as inflation	3.35 %
Rate of increase in salaries as inflation, subject to 2% cap	2.00 %
Rate of increase in pensions in payment - CPI (max 3%)	2.35 %
Rate of increase in pensions in payment - RPI (max 5%)	3.35 %
Rate of increase in pensions in payment - CPI (max 5%)	2.35 %
RPI inflation assumption	3.35 %
Cash commutation as a percentage of pension at retirement	12.50 %
CPI inflation assumption	2.35 %
Discount rate	3.60 %
Expected return on scheme assets	4.30 %
Mortality	S2NA CMI 2013 1%, -1 age rating

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are

	2014
Retiring today	
Males	23.15
Females	25.19
Retiring in 20 years	
Males	24.52
Females	26.69

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

25. Pension commitments (continued)

The UK government has announced that, in future, it will use the Consumer Prices Index (CPI), rather than the Retail Prices Index (RPI), for the statutory increases to pensions in payment and deferred pensions

In preparing these financial statements, scheme benefits which are subject to revaluation in deferment (in excess of Guaranteed Minimum Payments (GMP)) have been indexed in line with CPI (subject to a cap of 5% pa on pension accruing up to 6 April 2009 and a cap of 2.5% on pension accruing thereafter)

Any GMP that is subject to statutory indexation in payment will be indexed in line with CPI (and subject to a cap of 3% pa)

That part of each pension which was earned for pensionable service prior to 6 April 1997 will be indexed in payment in line with RPI (subject to a cap of 5% pa)

That part of each pension which was earned for pensionable service after 6 April 1997 will be indexed in payment in line with RPI (subject to a cap of 5% pa)

Amounts for the current period are as follows

Defined benefit pension schemes

	2014 £
Defined benefit obligation	(43,079,000)
Scheme assets	36,928,000
Deficit	<u>(6,151,000)</u>
Experience adjustments on scheme liabilities	34,000
Experience adjustments on scheme assets	<u>1,268,000</u>

26. Operating lease commitments

At 31 December 2014 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2014 £	Other 2014 £
Group		
Expiry date:		
Within 1 year	27,192	21,278
Between 2 and 5 years	<u>754,757</u>	<u>398,978</u>

Partnerships in Care UK 2 Limited (formerly Piper Holdco 2 Limited)

Notes to the financial statements

For the seven month period ended 31 December 2014

27. Post balance sheet events

On 1 April 2015 the Group acquired 100% of the share capital of Pastoral Cymru Limited and Pastoral Cymru (Cardiff) Limited for consideration of £23,080,000 Both companies are registered in England and Wales

On 2 April 2015 the Group acquired 100% of the share capital of Bromley Road Limited, Ivydene Willenhall Limited and Prime Care Choice Limited Limited for consideration of £25,375,000 All three companies are registered in England and Wales

On 1 June 2015 the Group acquired 100% of the share capital of Partnerships in Care (Beverley) Limited - (formerly City Road Edgebaston Limited) and Partnerships in Care (Brunswick) Limited - (formerly Ivydene Willenhall Limited) for consideration of £16,355,000 Both companies are registered in England and Wales In addition on 1 June 2015 the Group acquired 100% of the share capital of Partnerships in Care 1 Limited - (formerly Care UK Mental Health Partnerships Limited) for consideration of £55,000,000

28 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Partnerships in Care UK 1 Limited

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

The largest group in which the results of the Company are consolidated is that headed by Acadia Healthcare Company Inc, incorporated in the United States of America The consolidated financial statements of the Acadia Healthcare group may be obtained from 830 Crescent Centre Drive, Suite 610, Franklin, TN 37067

The smallest group in which the results of the Company are consolidated is that headed by Partnerships in Care UK 2 Limited, incorporated in England and Wales The consolidated financial statements of the Partnerships in Care UK 2 Limited group may be obtained from 2 Imperial Place, Maxwell Road, Borehamwood, Hertfordshire, WD6 1JN