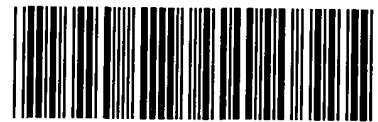


Partnerships in Care Property 25 Limited

Directors' report and financial statements

For the year ended 31 December 2015

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Partnerships in Care Property 25 Limited

Company Information

Directors	Joy Chamberlain Quazi Haque
Company secretary	Sarah Livingston
Registered number	05852377
Registered office	2 Imperial Place Maxwell Road Borehamwood Hertfordshire WD6 1JN
Auditors	Ernst and Young LLP 400 Capability Green Luton LU1 3LU

Partnerships in Care Property 25 Limited

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Partnerships in Care Property 25 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 is a property holding company.

Directors

The Directors who served during the year were:

Joy Chamberlain
Quazi Haque

There are no directors retiring by rotation.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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.

Auditors

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

Going Concern

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Post balance sheet events

On 14 July 2016, the UK Competition and Markets Authority decided that proposed merger between the Partnerships in Care Group and the Priory Group (which has the same ultimate parent company as the Partnerships in Care Group) cannot proceed unless Acadia Healthcare Company offers acceptable undertakings. The undertakings offered by Acadia Healthcare Company was the sale of seven hospitals within the Partnerships in Care Group. The properties identified for sale have been valued at the expected sales value less costs to sell.

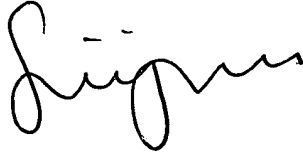
In September 2016, it is expected that the entire share capital of Partnership in Care Property 25 Limited will be sold to a third party.

Partnerships in Care Property 25 Limited

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

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 'S. Livingston', written over a horizontal line.

Partnerships in Care Property 25 Limited

Directors' responsibilities statement For the year ended 31 December 2015

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Partnerships in Care Property 25 Limited

Independent auditors' report to the shareholders of Partnerships in Care Property 25 Limited

We have audited the financial statements of Partnerships in Care Property 25 Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 3, 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 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 Directors report 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 its profit/ [loss] for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Partnerships in Care Property 25 Limited

Independent auditors' report to the shareholders of Partnerships in Care Property 25 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Other matter

The corresponding amounts as at 31 December 2014 are unaudited.

Ernst & Young LLP

Chris Nobbs (Senior statutory auditor)

for and on behalf of
Ernst & Young LLP

Statutory Auditor

Luton

Date 30 SEPTEMBER 2016

Partnerships in Care Property 25 Limited
Registered number: 05852377

Profit and loss account
For the year ended 31 December 2015

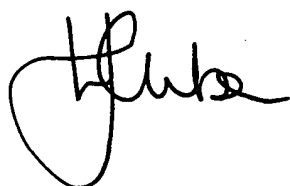
The Company has not traded during the year or the preceding financial year. During these periods, the Company received no income and incurred no expenditure and therefore made neither profit or loss.

Balance Sheet
As at 31 December 2015

		Unaudited	
	Note	2015 £	2014 £
Fixed assets			
Tangible assets	4	874,993	-
Current assets			
Debtors	5	3	3
Creditors: amounts falling due within one year	6	(874,993)	-
Net current (liabilities)/assets		<u>(874,990)</u>	<u>3</u>
Total assets less current liabilities		<u>3</u>	<u>3</u>
Capital and reserves			
Called up share capital	7	<u>3</u>	<u>3</u>
Shareholders' funds		<u>3</u>	<u>3</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on *27 September 2016*

The directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.



Joy Chamberlain
Director

The notes on pages 7 to 10 form part of these financial statements.

Partnerships in Care Property 25 Limited

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

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical costs convention and in accordance with the Companies Act 2006 and the Financial Reporting Standards for smaller Entities (effective April 2008). The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Cash flow

The Company, 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 disclosures

As the Company is a wholly owned subsidiary of Acadia Healthcare Company Inc, 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 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue recognised by the Company is rental income receivable during the year, exclusive of Value Added Tax.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Freehold property	-	over 50 years straight line
Fixtures & fittings	-	over 5 to 10 years straight line
Building structural alterations and refurbishment	-	over 5 to 10 years straight line

Partnerships in Care Property 25 Limited

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

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

1.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.7 Going Concern

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of accounting policies, management are required to make judgements, estimates and assumptions about the carrying amounts of certain assets and liabilities. The estimates and associated assumptions are based on experience and other factors that are considered as relevant. Actual results could differ from estimates.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the review period and future periods if the revision affects both the current period and subsequent periods.

Partnerships in Care Property 25 Limited

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

3. Auditors' remuneration	Unaudited	
	2015	2014
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>5,000</u>	<u>-</u>

The audit fee of £5,000 (2014 - £Nil) for the current period has been borne by another group company.

4. Tangible fixed assets	Freehold Property £
Cost	-
Additions	874,993
At 31 December 2015	<u>874,993</u>
Net book value	
At 31 December 2015	<u>874,993</u>
At 31 December 2014	<u>-</u>

The tangible fixed asset balance is an asset under construction and therefore is not depreciated.

5. Debtors	Unaudited	
	2015	2014
	£	£
Amounts owed by group undertakings	<u>3</u>	<u>3</u>

6. Creditors: Amounts falling due within one year	Unaudited	
	2015	2014
	£	£
Amounts owed to group undertakings	<u>874,993</u>	<u>-</u>

Partnerships in Care Property 25 Limited

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

7. Share capital		Unaudited
	2015	2014
	£	£
Allotted, called up and fully paid		
3 Ordinary shares of £1 each	3	3
	<u>3</u>	<u>3</u>
8. Reconciliation of movement in shareholders' funds		Unaudited
	2015	2014
	£	£
Closing shareholders' funds	3	3
	<u>3</u>	<u>3</u>

9. Post balance sheet events

On 14 July 2016, the UK Competition and Markets Authority decided that proposed merger between the Partnerships in Care group and the Priory Group (which has the same ultimate parent company as the Partnerships in Care group) cannot proceed unless Acadia Healthcare Company offers acceptable undertakings. The undertakings offered by Acadia Healthcare Company was the sale of seven hospitals within the Partnerships in Care Group. The properties identified for sale have been valued at the expected sales value less costs to sell.

In September 2016, it is expected that the entire share capital of Partnership in Care Property 25 Limited will be sold to a third party.

10. Controlling party

The immediate parent undertaking is Partnerships in Care Investments 2 Limited.

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

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

The smallest group in which the results of the Company are consolidated is that headed by Partnerships in Care UK 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.