

UK Acquisitions No 6 Limited Tax Strategy

UK Acquisitions No 6 Limited regards the publication of its sub group's tax strategy, as set out below, as complying with its duty under paragraph 19(2) Schedule 19 Finance Act 2016.

The strategy has been published in accordance with paragraph 19 (4) Schedule 19 Finance Act 2016 by Cygnet Health Care Limited as this company is the main operating company of the sub group and the name by which the operations are most known by in the UK public.

The strategy is effective from 1 January 2017 in respect of the accounting period ending 31 December 2017 until superseded.

The tax strategy is prepared by and updated by the Chief Financial Officer of the sub group, in conjunction with the sub groups finance team and is approved by the Board of Directors of UK Acquisitions No 6 Limited ("The Board"). Overall execution of the strategy is the responsibility of the Board of Directors of UK Acquisitions No 6 Limited, with day-to-day responsibility delegated to the Chief Finance Officer.

The sub group operates under two names, being Cygnet and CAS Behavioural Health ("CAS"). Under these two brand names they operate over 100 behavioural health centers with more than 2,000 beds in the United Kingdom. Two units are registered nursing homes providing long term and respite care for private fee-paying elderly residents. Cygnet and CAS operate in England and Wales only and are recognised specialist providers by the NHS throughout England and Wales.

The sub group is part of Universal Health Services Inc. (UHS), the largest provider of behavioural health care in the United States of America.

Risk Management and Governance Arrangements

The Board is responsible for the sub group's tax strategy and they have delegated its implementation to the Chief Financial Officer who is supported by the UHS tax team and members of his U.K. finance team including corporate accountants with corporate tax and payroll tax expertise.

Tax risks are escalated to the Board and the Head of Tax in the US. The sub group has internal policies and procedures in order to manage its tax risk. Given the acquisition of the CAS entities on the 28th of December 2016, the SAO for 2016 gave a qualified submission for its year ended 2016. The sub group fully intends to be compliant with the Senior Accounting Officer requirements in relation to 2017 and advice is sought from external professional tax advisors, where appropriate to ensure this is achieved.

Tax Planning

We plan our affairs in accordance with our commercial objectives as such we only engage in tax planning when it is aligned to our business and commercial strategy.

Any tax planning has and will always include significant contribution from the Board, the US tax group as well as external advisers.

U.K. Taxation and Risk

The Board regards taxation as an integral component of the overall business and financial risk that Cygnnet and CAS operate in. We consider tax risk not just in terms of financial matters, but also in terms of our relations with our customers, suppliers and regulatory bodies.

Our objective is to minimize all tax risk and fully comply with our legal obligations. As such, we have significant involvement from the Board with regard to tax risk management and we have implemented procedures in order to comply with the transparency initiatives espoused by the OECD through country-by-country reporting and the Base Erosion and Profit Shifting initiatives.

Relationship with Tax Authorities

We seek to maintain an open positive relationship with tax authorities that are relevant to our business. As our business is predominantly UK based our relationship is mainly with HMRC.

Our relationship with HMRC is primarily focused on properly calculating tax liabilities as well as timely submissions of tax returns and tax payments.

We are committed to full compliance with all statutory obligations and full disclosure to tax authorities. We aim to file all our tax returns on or before the due date and pay all our tax liabilities on time, such as, *inter alia*:. income tax, corporation, PAYE/NIC, Stamp Duty Land Tax and VAT.

We do not have a Customer Relationship Manager appointed by HMRC to look after our UK tax affairs.

List of entities covered by this Tax Strategy

- CAS Clifton Limited
- CAS Clifton Healthcare Limited
- Caireach Limited
- CAS Aspirations Developments Limited
- CAS Aspirations Properties Limited
- CAS Care Services Limited
- Everycorner Limited

CAS Behavioural Health Limited
CAS Healthcare Properties Limited
Isand Limited
Isand (Domiciliary Care) Limited
CAS Learning Disabilities Limited
CAS Learning Disabilities Midlands Limited
CAS Learning Disabilities Services Limited
Relativeto Limited
Short Ground Limited
CAS St. Paul's Limited
Cygnet Health Care Limited
Cygnet Supported Living Limited
Cygnet Propco Limited
Cygnet Propco II Limited
Cygnet 2000 Limited
Cygnet 2002 Limited
Cygnet Health UK Limited
Cygnet Propco Holdco Limited
Cygnet Propco Holdco II Limited
Stac Healthcare Limited
Cygnet Inter-Holdings Limited
Cygnet Health Developments Limited
Cygnet Hospitals Holdings Limited
Cygnet Health Properties Limited
Cygnet (NW) Limited
Cygnet Surrey Limited
Cygnet Trustees Limited
Orchard Portman House Limited
Orchard Portman Hospital Limited
Safe Spaces Limited
Taunton Hospital Limited
UK Acquisitions No. 6 Limited
CAS Aspirations Properties III Limited
CAS Aspirations Properties Limited
CAS Aspirations Properties V Limited