

# **Priordrive Limited**

## **Annual Report and Accounts**

31 August 2007



**Registration number 1174940**

**Priordrive Limited**  
**Directors and Officers**

**DIRECTORS**

T L Green (appointed 1/10/07)  
McCarthy & Stone (Group Services) Limited  
McCarthy & Stone Corporate Services Limited

**SECRETARY**

McCarthy & Stone (Group Services) Limited

**REGISTERED OFFICE**

Homelife House  
26 - 32 Oxford Road  
Bournemouth  
Dorset

**INDEPENDENT AUDITORS**

Deloitte & Touche LLP, Chartered Accountants & Registered Auditors  
Crawley, United Kingdom

**BANKERS**

HBOS plc

**SOLICITORS**

Travers Smith  
DLA Piper

**Priordrive Limited**  
**Directors' Report**

The directors present their annual report and accounts for the year ended 31 August 2007

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

**Principal business activity**

The company's business is property investment

**Directors**

A list of the present directors is shown on page 1

The company carries appropriate insurance cover in respect of possible legal action being taken by third parties against its directors and senior employees

**Independent auditors**

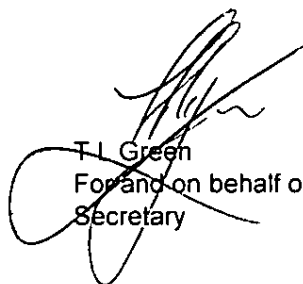
Each of the persons/directors at the date of approval of this report confirms that

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- The director has taken all the steps that ought to have been taken as a director in order to make itself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors. A resolution to re-appoint Deloitte & Touche LLP as auditors will be put to the members at the Annual General Meeting

This report was approved by the board on 18.11.07



T.I. Green  
For and on behalf of McCarthy & Stone (Group Services) Limited  
Secretary

## **Priordrive Limited**

### **Statement of Directors' Responsibilities in Respect of the Accounts**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

## **Priordrive Limited**

### **Independent Auditors' Report**

#### **To The Members of Priordrive Limited**

We have audited the company's financial statements for the year ended 31 August 2007 which comprise the Balance Sheet and the related notes 1 to 7. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Priordrive Limited**  
**Independent Auditors' Report (continued)**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 August 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

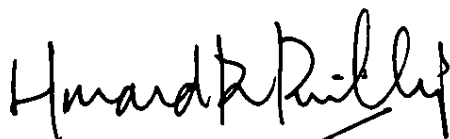
*Deloitte & Touche LLP*

Deloitte & Touche LLP, Chartered Accountants & Registered Auditors  
Crawley, United Kingdom

*20 May 2008*

**Priordrive Limited**  
**Balance Sheet**  
**as at 31 August 2007**

	Notes	2007 £	2006 £
<b>Fixed assets</b>			
Investment properties	2	<u>102,276</u>	<u>59,504</u>
<b>Current assets</b>			
Debtors	3	11,000	11,000
<b>Creditors: amounts falling due within one year</b>	4	(102,276)	(59,504)
<b>Net current liabilities</b>		<u>(91,276)</u>	<u>(48,504)</u>
<b>Total assets less current liabilities</b>		<u>11,000</u>	<u>11,000</u>
<b>Capital and reserves</b>			
Called up share capital	5	3,000	3,000
Profit and loss account		8,000	8,000
<b>Shareholders' funds</b>		<u>11,000</u>	<u>11,000</u>



H P S Phillips  
For and on behalf of McCarthy and Stone Corporate Services Ltd  
Director

Approved by the board on  
**16 MAY 2008**

**Priordrive Limited**  
**Notes to the Accounts**  
**at 31 August 2007**

**1 Accounting policies**

The following accounting policies have been used in dealing with items which are considered material in relation to the company accounts. They have been applied consistently throughout the year and the preceding year.

**Profit and Loss Account**

The company has not traded during either the year ended 31 August 2007 or the previous year. Therefore, a Profit and Loss Account has not been presented.

**Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

**Employees**

During the current and preceding financial year the company had no employees.

**Auditors' remuneration**

Auditors' remuneration of £1,000 (2006: £1,000) is borne by a fellow group company.

**Investment properties**

Freehold land is valued at fair value, within Fixed Asset Investment Properties.

In accordance with Statement of Standard Accounting Practice 19, investment properties are normally revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve.

No depreciation is provided on investment properties.

**2 Tangible fixed assets - Investment Properties**

	<b>Freehold land £</b>
<b>Valuation</b>	
At 1 September 2006	59,504
Additions	42,772
At 31 August 2007	<u>102,276</u>

Investment properties are valued annually by the directors on the basis of open market value. The valuation prepared as at 31 August 2007 indicated that the valuations at the dates of transfer were still appropriate at the balance sheet date.

<b>3 Debtors</b>	<b>2007 £</b>	<b>2006 £</b>
Amounts owed by fellow group undertaking	<u>11,000</u>	<u>11,000</u>



**Priordrive Limited**  
**Notes to the Accounts**  
**at 31 August 2007**

**4 Creditors amounts falling due within one year**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>

Amounts owed to fellow group undertaking	<u>102,276</u>	<u>59,504</u>
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**5 Share capital**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>

Authorised Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>
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	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>No</b>	<b>No</b>	<b>£</b>	<b>£</b>
Allotted, called up and fully paid Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>

**6 Ultimate parent undertaking and controlling party**

Mother Bidco Ltd's offer for the entire share capital of McCarthy and Stone plc, the company's ultimate parent, became unconditional on 13 October 2006. McCarthy & Stone plc has been delisted from the London Stock Exchange. The directors now consider that McCarthy & Stone Group Ltd (formerly Mother Topco Limited and the ultimate parent undertaking of Mother Bidco Limited) is the ultimate controlling party.

At 31 August 2007 the company's ultimate parent undertaking was McCarthy & Stone Group Ltd, which is registered in England and Wales. At 31 August 2007 the consolidated accounts of McCarthy & Stone Group Ltd were those of both the smallest and largest group of which the company is a member and for which group accounts are prepared. Copies of the Group Accounts can be obtained from the Company Secretary, Homelife House, 26-32 Oxford Road, Bournemouth.

**7 Related Parties**

The company has taken advantage, as a 100% subsidiary, of the exemption available under FRS 8 para 3(c) from disclosing transactions with members of the McCarthy & Stone Group.