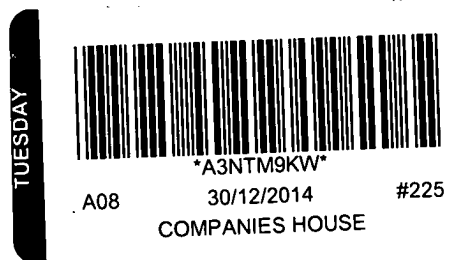


TRILLIUM (PRIME) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014



TRILLIUM (PRIME) LIMITED

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TRILLIUM (PRIME) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their strategic report for Trillium (PRIME) Limited for the year ended 31 March 2014.

BUSINESS REVIEW

The company provides property and other services to the Department for Work and Pensions ("DWP") under the PRIME Agreement.

PRIME is an acronym for Private Sector Resource Initiative for the Management of the Estate. The PRIME Agreement is designed to outsource all aspects of the ownership and operation of the occupational property estate of the DWP for a period of 20 years commencing on 1 April 1998.

The company reported turnover of £539,221,000 (2013: £545,481,000) and profit before taxation of £4,527,000 (2013: £3,893,000). The company's results for the year are in line with the directors' expectations.

Shareholders' funds at 31 March 2014 totalled £16,288,000 (2013: £46,830,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk facing the company is that it relies primarily on one customer, the DWP, for its income. The long term nature of the PRIME Agreement and government income mitigates this risk in the medium term.

Owing to the nature of the agreement under which the company operates, the company is not considered to be exposed to other significant risks. The directors monitor potential risks to which the company may be exposed and will take mitigating action as required.

The company is exposed to tax risks resulting from changes in tax legislation and the interpretation of tax legislation, which may expose the company to a reduction in post-tax income. The tax affairs of the company are in good order and the directors and senior management of the company are committed to maintaining an open and transparent dialogue with HM Revenue & Customs.

FINANCIAL RISK MANAGEMENT

Credit risk

The company's principal financial assets are bank balances and trade and other debtors.

Trade and other debtors

Debtors are presented in the balance sheet net of allowances for doubtful debts. The company monitors the levels of debt on a regular basis and seeks to trade with credit worthy entities. The credit risk of debtors is considered low given the secure long term cash flows of counterparties.

Bank balances

The credit risk on liquid funds and derivative financial instruments is limited as the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company reviews its liquidity needs on a periodic basis and takes action as necessary.

TRILLIUM (PRIME) LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2014**

FINANCIAL KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the directors are of the opinion that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Trillium (PRIME) Limited.

This report was approved by the board on

30 DEC 2014

and signed on its behalf.

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

Ernitia Ferguson
Company secretary

TRILLIUM (PRIME) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and the audited financial statements for the year ended 31 March 2014.

DIRECTORS

The directors who served during the year and up to the date of signing these financial statements were:

Warren Persky
Trillium Holdings Limited
Trillium Group Limited

DIVIDENDS

The company paid dividends of £34,440,000 (2013: £15,500,000).

FUTURE DEVELOPMENTS

The directors expect the PRIME Agreement to provide continuing activity for the remainder of the twenty year contract. It is not envisaged that the company will initiate any plans to restructure its principal activities in the forthcoming year and the current level of performance is expected to be maintained.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

Qualifying third party indemnity provisions, commonly known as Directors and Officers insurance (as defined by section 234 of the Companies Act 2006), in relation to certain losses and liabilities which the directors may incur (or have incurred) to third parties in the course of their professional duties, were in force for the directors for their periods of directorship and at the date of this report.

MATTERS COVERED IN THE STRATEGIC REPORT

Details of financial risk management can be found on page 1 in the Strategic Report and form part of this report by cross-reference.

TRILLIUM (PRIME) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

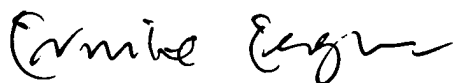
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

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.

This report was approved by the board on **30 DEC 2014** and signed on its behalf.



Ernitia Ferguson
Company secretary

TRILLIUM (PRIME) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRILLIUM (PRIME) LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit and cash flows for the year 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Trillium (PRIME) Limited, comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account for the year then ended;
- the cash flow statement and reconciliation of net cash flow to movement in net funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Annual 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 OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

TRILLIUM (PRIME) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRILLIUM (PRIME) LIMITED

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Lorimer Headley (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London

Date: **30 DEC 2014**

TRILLIUM (PRIME) LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £000	2013 £000
TURNOVER	2	539,221	545,481
Cost of sales		(536,900)	(543,167)
Other operating income	3	1,385	794
		<hr/>	<hr/>
OPERATING PROFIT	4	3,706	3,108
Interest receivable and similar income	6	871	785
Interest payable and similar charges	7	(50)	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,527	3,893
Tax on profit on ordinary activities	8	(629)	(963)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	17	<u>3,898</u>	<u>2,930</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account. Therefore, no separate Statement of Total Recognised Gains and Losses has been presented.

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

The notes on pages 10 to 19 form part of these financial statements.

TRILLIUM (PRIME) LIMITED
REGISTERED NUMBER: 3258384

BALANCE SHEET
AS AT 31 MARCH 2014

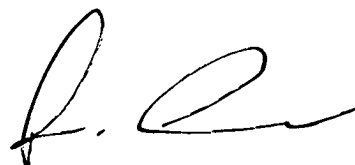
	Note	£000	2014 £000	£000	2013 £000
FIXED ASSETS					
Tangible assets	9		847		895
Investments	10		15,000		15,000
			<u>15,847</u>		<u>15,895</u>
CURRENT ASSETS					
Debtors	11	67,792		19,312	
Cash at bank and in hand	12	9,695		74,473	
		<u>77,487</u>		<u>93,785</u>	
CREDITORS: amounts falling due within one year	13	(70,143)		(54,962)	
NET CURRENT ASSETS			<u>7,344</u>		<u>38,823</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>23,191</u>		<u>54,718</u>
PROVISIONS FOR LIABILITIES					
Other provisions	15		(6,903)		(7,888)
NET ASSETS			<u>16,288</u>		<u>46,830</u>
CAPITAL AND RESERVES					
Called up share capital	16		16,919		16,919
Profit and loss account	17		(631)		29,911
TOTAL SHAREHOLDERS' FUNDS	18		<u>16,288</u>		<u>46,830</u>

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

30 DEC 2014



Warren Persky
Director



Russell Gurnhill
Authorised signatory
For and on behalf of Trillium Holdings Limited
Corporate Director

The notes on pages 10 to 19 form part of these financial statements.

TRILLIUM (PRIME) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £000	2013 £000
Net cash (outflow)/inflow from operating activities	20	(26,803)	66,009
Returns on investments and servicing of finance	21	822	785
Taxation		(4,357)	-
Equity dividends paid		(34,440)	(15,500)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(64,778)	51,294

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 £000	2013 £000
(Decrease)/increase in cash in the year	(64,778)	51,294
MOVEMENT IN NET CASH IN THE YEAR	(64,778)	51,294
Net funds at 1 April 2013	74,473	23,179
NET FUNDS AT 31 MARCH 2014	9,695	74,473

The notes on pages 10 to 19 form part of these financial statements.

TRILLIUM (PRIME) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared on a 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 company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Turnover

Turnover relates to the provision of property and related services, income from capital projects arising from the PRIME contract, and also rental income from third parties. Lease incentives are recognised on a straight line basis over the shorter of the lease term or the period up to the initial break point or rent review. Turnover from property and related services, known as the unitary charge, is recognised on an accruals basis. Turnover from capital projects is recognised in the accounting periods in which the services are rendered, by reference to the percentage completion of the specific transaction, assessed on the basis of the actual service provided as a portion of the total services to be provided.

Tangible fixed assets

Furniture is capitalised at cost and carried in the financial statements at market value.

Valuation gains/losses are taken to the revaluation reserve and are included in the Statement of Total Recognised Gains and Losses except to the extent where it reverses a diminution in the carrying value of the same asset that was previously taken to the Profit and Loss Account, in which case the increase is recognised in the Profit and Loss Account. Diminutions in value are taken to the Profit and Loss Account except where an asset has been previously revalued, in which case diminutions are taken to reserves to the extent of previous revaluations of the same asset.

The portfolio carrying value is reviewed on an annual basis for evidence of impairment.

Investments

The company's investments in shares in group companies are stated at cost less provision for impairment. Any impairment is charged to the Profit and Loss Account.

Operating leases

Rentals under operating leases are charged to the Profit and Loss account on an accruals basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Debtors

Debtors are recognised at the amounts receivable less any appropriate provision for estimated irrecoverable amounts. A provision is established for irrecoverable amounts when there is objective evidence that amounts due under the original payment terms will not be collected.

TRILLIUM (PRIME) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are discounted where the time value of money is material.

Taxation

Current taxation

The tax on profit on ordinary activities includes amounts paid or received for group relief in respect of tax losses claimed and surrendered in the current period.

Deferred taxation

Deferred tax is recognised in full in respect of timing differences that have originated but not reversed at the balance sheet date. Timing differences are the difference between the company's taxable profits and its results as disclosed in the financial statements, arising from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only when their recovery is considered probable.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax is not discounted.

2. TURNOVER

An analysis of turnover by class of business is as follows:

	2014 £000	2013 £000
Unitary charges	508,936	517,741
Capital projects	8,886	12,285
Third party rents	21,399	15,455
	<hr/>	<hr/>
	539,221	545,481
	<hr/>	<hr/>

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

	2014 £000	2013 £000
Release of deferred income - asset contribution	1,385	794
	<hr/>	<hr/>

TRILLIUM (PRIME) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

4. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £000	2013 £000
Impairment of tangible fixed assets:		
- owned by the company	48	162
Operating lease rentals:		
- other operating leases	11,458	12,415
	<u>11,506</u>	<u>12,577</u>

The audit fee for the year totalling £5,000 (2013: £3,000) was borne on the company's behalf by Trillium Property Services Limited, a fellow group undertaking.

5. DIRECTORS' REMUNERATION

	2014 £000	2013 £000
Aggregate emoluments excluding long term incentive schemes and pensions	24	26
Aggregate amounts receivable in respect of long term incentive schemes	81	81
Payments to defined contribution pension scheme	1	1
	<u>106</u>	<u>108</u>
Total	<u>106</u>	<u>108</u>

Directors are remunerated by Telereal Services Limited and Trillium Property Services Limited, fellow group undertakings.

Retirement benefits are accruing to three (2013: three) directors under a defined contribution scheme.

The company did not have any employees other than directors during the year under review (2013: nil).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £000	2013 £000
Interest receivable from group companies	655	626
Bank interest receivable	216	159
	<u>871</u>	<u>785</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £000	2013 £000
Interest payable to group undertakings	2	-
Other interest payable	48	-
	<u>50</u>	<u>-</u>

TRILLIUM (PRIME) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

8. TAXATION

	2014 £000	2013 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	658	703
Adjustments in respect of prior periods	(60)	(12)
Total current tax	<u>598</u>	<u>691</u>
Deferred tax		
Origination and reversal of timing differences	34	18
Adjustments in respect of prior years	(3)	254
Total deferred tax (see note 14)	<u>31</u>	<u>272</u>
Tax on profit on ordinary activities	<u><u>629</u></u>	<u><u>963</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013: lower than) the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	<u>4,527</u>	<u>3,893</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013: 24%)	1,041	934
Effects of:		
Expenses not deductible for tax purposes	(350)	-
Adjustments to tax charge in respect of prior periods	(60)	(12)
Impairment of fixed assets	-	39
Capital receipt	-	(24)
Non-taxable income - deferred income	-	(191)
Capital allowances	(33)	(55)
Current tax charge for the year (see note above)	<u><u>598</u></u>	<u><u>691</u></u>

Factors that may affect future tax charges

The Finance Act 2013, which was enacted on 17 July 2013, reduced the main rate of corporation tax for the financial year 2014 to 21% and for the financial year 2015 to 20%.

There are no other known/current factors that may affect future tax charges.

TRILLIUM (PRIME) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

9. TANGIBLE FIXED ASSETS

	Furniture £000
VALUATION	
At 1 April 2013	895
Additions	1,385
Disposals	(1,385)
Impairment charge	(48)
At 31 March 2014	847
Net book value	
At 31 March 2014	847
At 31 March 2013	895

The fair value of the company's assets at 31 March 2014 and at 31 March 2013 has been arrived at on the basis of a valuation carried out at that date by GoIndustry DoveBid, an independent valuer. The valuation by GoIndustry DoveBid was prepared in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Standards and arrived at by reference to market evidence of transaction prices of similar assets.

10. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
COST	
At 1 April 2013 and 31 March 2014	22,000
IMPAIRMENT	
At 1 April 2013 and 31 March 2014	7,000
NET BOOK VALUE	
At 31 March 2014	15,000
At 31 March 2013	15,000

In the opinion of the directors the value of the investments in subsidiary undertakings is not less than the aggregate amount at which they are shown in the company's balance sheet.

The principal subsidiaries at 31 March 2013 and 31 March 2014 were as follows:

Company name	Country	Percentage Shareholding	Description
Trillium Property Services (PRIME) Limited	England and Wales	100	Subcontractor for the provision of facilities management services for the PRIME portfolio
Trillium (PRIME) Furniture Limited	England and Wales	100	Provision of furniture and equipment to the PRIME portfolio

TRILLIUM (PRIME) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

11. DEBTORS

	2014 £000	2013 £000
Trade debtors	66,905	9,465
Amounts owed by group undertakings	-	8,730
Deferred tax asset (see note 14)	5	36
Prepayments and accrued income	882	1,081
	<u>67,792</u>	<u>19,312</u>

Amounts due from group undertakings are unsecured and receivable on demand. Interest was received on these balances at LIBOR plus 3.0% per annum (2013: LIBOR plus 3.0% per annum).

12. CASH AT BANK

	2014 £000	2013 £000
Money market deposits	8,991	73,788
Tenant deposits	602	612
Cash at bank	102	73
	<u>9,695</u>	<u>74,473</u>

Tenant deposits are held by Barclays Bank PLC in Trustee controlled accounts.

Money market deposits earn interest at daily market rates.

13. CREDITORS: Amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	439	812
Amounts owed to group undertakings	28,171	-
Corporation tax	646	4,405
VAT payable	23,671	21,870
Accruals and deferred income	17,216	27,875
	<u>70,143</u>	<u>54,962</u>

Amounts owed to group undertakings are unsecured and repayable on demand. Interest was paid on these balances at LIBOR plus 3.0% per annum (2013: LIBOR plus 3.0% per annum).

TRILLIUM (PRIME) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

14. DEFERRED TAX ASSET

	2014 £000	2013 £000
At beginning of year	36	308
Charged for year (P&L)	(31)	(272)
	<hr/>	<hr/>
At end of year	5	36
	<hr/>	<hr/>

The deferred tax asset is made up as follows:

	2014 £000	2013 £000
Accelerated capital allowances	5	36
	<hr/>	<hr/>

15. PROVISIONS

	Performance £000
At 1 April 2013	7,888
Released to profit and loss account	(985)
	<hr/>
At 31 March 2014	6,903
	<hr/>

PERFORMANCE

Provisions have been made for obligations relating to performance that may arise due to a performance scoring system. The scoring system compares actual performance by the PRIME contractor and its obligations under the PRIME agreement to provide facilities management services. It is expected that the provision will be utilised over the next two years.

16. SHARE CAPITAL

	2014 £000	2013 £000
ALLOTTED, CALLED UP AND FULLY PAID		
16,919,202 Ordinary shares of £1 each	16,919	16,919
	<hr/>	<hr/>

17. RESERVES

	Profit and loss account £000
At 1 April 2013	29,911
Profit for the year	3,898
Dividends (note 19)	(34,440)
	<hr/>
At 31 March 2014	(631)
	<hr/>

TRILLIUM (PRIME) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £000	2013 £000
Opening shareholders' funds	46,830	59,400
Profit for the financial year	3,898	2,930
Dividends (note 19)	(34,440)	(15,500)
Closing shareholders' funds	<u>16,288</u>	<u>46,830</u>

19. DIVIDENDS

	2014 £000	2013 £000
Dividends £2.04 per share (2013: £0.92 per share)	<u>34,440</u>	<u>15,500</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £000	2013 £000
Operating profit	3,706	3,108
Impairments of fixed assets	48	162
(Increase)/decrease in debtors	(57,241)	53,136
Decrease in amounts owed by group undertakings	36,900	15,520
Decrease in creditors	(9,231)	(12,576)
(Decrease)/increase in provisions	(985)	6,659
Net cash (outflow)/inflow from operating activities	<u>(26,803)</u>	<u>66,009</u>

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £000	2013 £000
Returns on investments and servicing of finance		
Interest received	871	785
Interest paid	(49)	-
Net cash inflow from returns on investments and servicing of finance	<u>822</u>	<u>785</u>

TRILLIUM (PRIME) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 April 2013 £000	Cash flow £000	Other non-cash changes £000	31 March 2014 £000
Cash at bank and in hand	74,473	(64,778)	-	9,695
Net funds	74,473	(64,778)	-	9,695

23. CONTINGENT LIABILITIES

In the year under review the company acted as Guarantor to a Eurohypo loan facility as part of a syndicate of borrowers to £340,000,000 (2013: £340,000,000) debt with Eurohypo AG with a term of 5 years, secured by a fixed and floating charge over the assets of the following companies.

Trillium (PRIME) Holdings Limited
 Trillium (PRIME) Project Holdings Limited
 Trillium (PRIME) Property GP Limited
 Trillium (PRIME) Property Limited Partnership
 Trillium (PRIME) Limited
 Trillium (PRIME) Furniture Limited
 Trillium Property Services (PRIME) Limited
 Trillium (Sovereign House) Limited

In circumstances of default, the borrowers were jointly and severally liable for the amounts outstanding. At the 31 March 2014 £266,686,000 (2013: £289,059,000) of the loan was outstanding.

Subsequent to the year end, the loan facility was repaid and the guarantee released.

24. OPERATING LEASE COMMITMENTS

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014 £000	2013 £000
Expiry date:		
Between 2 and 5 years	11,458	12,415

25. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption provided by Paragraph 3(c) of 'FRS 8: Related party disclosures' not to disclose transactions with entities that are part of the group of entities owned by Trillium Holdings Limited, for which consolidated accounts are publicly available.

There were no transactions or balances outstanding with other related parties.

TRILLIUM (PRIME) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Trillium (PRIME) Limited is a wholly owned subsidiary of Trillium (PRIME) Property GP Limited. Under a trust deed, the beneficial ownership of the company has been transferred to Trillium (PRIME) Holdings Limited.

The ultimate parent undertaking and controlling party is Field Nominees Limited (incorporated in Bermuda), as nominee for the B Pears 1967 Family Trust. The largest parent undertaking to consolidate these financial statements is Tele-Finance Holdings Limited, which is incorporated in the British Virgin Islands.

The parent undertaking of the smallest group of companies to consolidate the results of the company is Trillium Holdings Limited. The annual report and accounts of Trillium Holdings Limited may be obtained from the Company Secretary, 140 London Wall, London EC2Y 5DN.