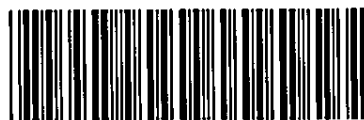


Priorgate Holdings Limited

Annual report and financial statements  
for the year ended 31 March 2008

Registered number 4800642

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# **Priorgate Holdings Limited**

## **Annual report and financial statements for the year ended 31 March 2008**

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# **Priorgate Holdings Limited**

## **Directors and advisors**

### **Directors**

A E Birch  
P McCulloch  
I R Gethin  
S P Hornby

### **Secretary**

Trillium Secretariat Services Limited

### **Registered office**

140 London Wall  
London  
EC2Y 5DN

### **Independent auditors**

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

# **Priorgate Holdings Limited**

## **Directors' report for the year ended 31 March 2008**

The directors present their report and the audited financial statements for the year ended 31 March 2008

### **Results, principal activities and review of the business**

The principal activity of the company is the holding of an investment in Priorgate Limited in a company whose principal activity is the provision of two serviced schools to Sheffield City Council. The project met the target date for education services to commence in April 2005.

The loss for the year is presented in the profit and loss account on page 5. The directors consider the result satisfactory and expect similar results going forward.

On 1 March 2007, Noble-SMIF GP Limited (acting as the General Partner of Noble-SMIF LP) acquired the remaining 40% that it did not already own, of the issued ordinary share capital of Priorgate Holdings Limited. On 31 October 2007, Noble-SMIF LP (acting through its general partnership, Noble-SMIF GP Limited) transferred its entire shareholding to its fellow group undertaking, Trillium PPP Investment Partners No 2 Limited.

### **Dividends and transfers to reserves**

No dividend is proposed (2007: £nil). The directors consider the performance of the company during the year, the financial position at the end of the year and the prospects for the future to be satisfactory.

### **Principal risks and uncertainties, financial risk management and key performance indicators ('KPIs')**

As described above, Priorgate Holdings Limited acts as a holding company for its subsidiary, Priorgate Limited. As such, the principal risks, financial risk management and key performance indicators adopted by Priorgate Limited are applicable to the management of Priorgate Holdings Limited's investment in its subsidiary and are detailed in the Directors' Report of the financial statements for Priorgate Limited for the year ended 31 March 2008.

In addition, the holding company also takes the risk of impairment of its investment in the subsidiary. This risk is directly related to the performance of the subsidiary.

### **Directors**

The directors of the company during the year, and subsequently, are set out below:

A E Birch  
P McCulloch  
I R Gethin  
S P Hornby

# Priorgate Holdings Limited

## Director's report for the year ended 31 March 2008 (continued)

### Statement of directors' responsibilities

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 those 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 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 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.


### Statement of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved, so far as the directors are aware, there is no relevant audit information of which PricewaterhouseCoopers LLP ('PwC') are unaware, and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that PwC are aware of that information.

### Auditors

Having passed elective resolutions of the shareholders at an extraordinary general meeting, the company is exempt from the obligation to annually reappoint auditors and to hold annual general meetings. PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and accordingly the board recommends that PricewaterhouseCoopers LLP continue in office as auditors to the company.

### By order of the board

  
Kim Clear  
On behalf of Trillium Secretariat Services Limited  
Secretary  
9th Oct 2008

## **Independent auditors' report to the members of Priorgate Holdings Limited**

We have audited the financial statements of Priorgate Holdings Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with the 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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.

In addition we 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.

### **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 March 2008 and of its loss 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.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham

10 October 2008

## Priorgate Holdings Limited

### Profit and loss account for the year ended 31 March 2008

		Year ended 31 March 2008	Year ended 31 March 2007
	Notes	£	£
Administrative (expenses)/ income		(63)	4,800
<b>Operating (loss)/profit</b>	2	(63)	4,800
Interest receivable and similar income	3	347,237	350,864
Interest payable and similar charges	4	(347,237)	(350,862)
<b>(Loss) /profit on ordinary activities before taxation</b>		(63)	4,802
Tax on (loss)/profit on ordinary activities	5	-	-
<b>(Loss)/profit for the year</b>	12	(63)	4,802

The company has been engaged solely in continuing activities in a single class of business within the United Kingdom

There is no difference between the (loss)/profit as shown in the profit and loss account and its historical cost equivalent. The movement on reserves is shown in note 12 to the financial statements.

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

# Priorgate Holdings Limited

## Balance sheet as at 31 March 2008

	Note	31 March 2008 £	31 March 2007 £
<b>Fixed assets</b>			
Investment in subsidiary undertaking	6	10,000	10,000
<b>Current assets</b>			
Debtors amounts falling due within one year	7	161,753	162,412
Debtors amounts falling due after more than one year	8	2,553,587	2,576,081
Cash at bank and in hand		-	63
		2,715,340	2,748,556
Creditors: amounts falling due within one year	9	(161,753)	(162,412)
<b>Net current assets</b>		<b>2,553,587</b>	<b>2,576,144</b>
<b>Total assets less current liabilities</b>		<b>2,563,587</b>	<b>2,586,144</b>
Creditors' amounts falling due after more than one year	10	(2,553,587)	(2,576,081)
<b>Net assets</b>		<b>10,000</b>	<b>10,063</b>
<b>Capital and reserves</b>			
Called up share capital	11	10,000	10,000
Profit and loss account	12	-	63
<b>Total shareholder's funds</b>	12	<b>10,000</b>	<b>10,063</b>

The financial statements on pages 5 to 12 were approved by the board on 9<sup>th</sup> Oct 2008 and signed on its behalf by



Director

A. Beach

# **Priorgate Holdings Limited**

## **Notes to the financial statements for the year ended 31 March 2008**

### **1 Principal accounting policies**

A summary of the company's principal accounting policies, which have been consistently applied, except as indicated below, is set out below

#### **Basis of preparation of accounts**

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. As permitted by Section 248 of the Companies Act 1985, the company has not prepared consolidated financial statements, as it is a small group.

#### **Investment income**

Investment income includes dividends and interest receivable. Dividends are included in income when paid by the paying company. Interest receivable is included in income on an accruals basis. Interest receivable includes the amortisation of any premium or discount on the purchase of the loan which has been spread over the life of the loan to determine a constant effective interest rate.

#### **Investments**

Investments in subsidiary undertakings are stated at cost less an appropriate provision to reflect any impairment in the value of the investments.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are only recognised when it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

#### **Cash flow statement**

Under Financial Reporting Standard 1 (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that the company qualifies as a small entity as defined in sections 247 and 247a of the Companies Act 1985.

## Priorgate Holdings Limited

### Notes to the financial statements for the year ended 31 March 2008 (continued)

#### 2 Operating (loss)/profit

The company had no employees, other than the directors, during the year (2007 none). The remuneration of the directors is paid by the controlling parties and their services to the company are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the controlling parties. The controlling parties charged £nil (2007 £nil) to the company in respect of these services.

The audit fees in respect of the company, for the current and preceding year, have been borne by Priorgate Limited and not recharged to the company.

#### 3 Interest receivable and similar income

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Interest receivable from subsidiary undertaking	347,237	350,862
Bank interest receivable	-	2
	347,237	350,864

#### 4 Interest payable and similar charges

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Interest payable to shareholders	347,237	350,862

# Priorgate Holdings Limited

## Notes to the financial statements for the year ended 31 March 2008 (continued)

### 5 Tax on (loss)/profit on ordinary activities

#### a) Analysis of tax for the year

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
<b>Current tax:</b>		
Charge in respect of current year	-	-
<b>Deferred tax:</b>	-	-
<b>Tax on (loss)/profit on ordinary activities</b>	-	-

#### b) Factors affecting current tax charge

The tax assessed for the year is higher (2007 lower) than the standard rate of corporation tax in the UK of 30%. The differences are explained below

(Loss)/profit on ordinary activities before taxation	(63)	4,802
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007 30%)	(19)	1,440
Non – taxable expenses	19	-
Group relieved losses	-	(468)
Unutilised tax losses	-	(972)
	-	-

#### c) Factors that may affect future tax charges

The current tax charge will continue to be affected by timing differences on the project asset, although these timing differences will have an opposite impact on the deferred tax charge so there should be no overall impact on the tax charge. Further to a corporation tax rate change announced in the 2007 budget, deferred tax reversing after 1 April 2008 will be recognised at a rate of 28% as opposed to the existing rate of 30%.

Currently there are no amounts of either provided or unprovided deferred tax (2007 £nil) at the balance sheet date.

# Priorgate Holdings Limited

## Notes to the financial statements for the year ended 31 March 2008 (continued)

### 6 Investment in subsidiary undertaking

	Equity
Cost:	£
At 1 April 2007 and at 31 March 2008	10,000

The investment represents 100% of the issued ordinary share capital of Priorgate Limited

Priorgate Limited is incorporated in England & Wales and is a company whose activities include the provision of two serviced schools to Sheffield City Council

### 7 Debtors: amounts falling due within one year

	31 March 2008	31 March 2007
	£	£
Intercompany loan to subsidiary undertaking	19,291	17,379
Accrued income	142,462	145,033
	161,753	162,412

### 8 Debtors: amounts falling due after more than one year

	31 March 2008	31 March 2007
	£	£
Intercompany loan to subsidiary undertaking	2,553,587	2,576,081

The loan to subsidiary undertaking is repayable by 50 semi-annual instalments, which commenced in March 2007 and have an interest rate fixed at 13.29% per annum

# Priorgate Holdings Limited

## Notes to the financial statements for the year ended 31 March 2008 (continued)

### 9 Creditors: amounts falling due within one year

	31 March 2008	31 March 2007
	£	£
Shareholder loans	19,291	17,379
Accruals	142,462	145,033
	161,753	162,412

### 10 Creditors: amounts falling due after more than one year

a) Total	31 March 2008	31 March 2007
	£	£
Shareholder loans	2,553,587	2,576,081
b) Maturity of debt		
Less than one year	19,291	17,379
Between one and two years	21,942	19,291
Between two and five years	85,931	107,573
In more than five years	2,445,714	2,449,217
	2,572,878	2,593,460

The shareholder loans are repayable by 50 semi-annual instalments, which commenced in March 2007. These loans are subordinated to the right of payment of senior debt providers with an interest rate fixed at 13.29% per annum.

## Priorgate Holdings Limited

### Notes to the financial statements for the year ended 31 March 2008 (continued)

#### 11 Called up share capital

	31 March 2008	31 March 2007
Authorised, allotted, called up and fully paid	£	£
10,000 Ordinary shares of £1 each	10,000	10,000

#### 12 Reconciliation of movements in total shareholder's funds and reserves

	Share capital	Profit & loss account	Total shareholder's funds
	£	£	£
At 1 April 2007	10,000	63	10,063
Retained loss for the year	-	(63)	-
<b>At 31 March 2008</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>

#### 13 Ultimate parent undertaking and controlling party

On 31 October 2007, both Noble-SMIF LP (acting through its general partnership Noble-SMIF GP limited and Land Securities Group Plc, transferred the entire shareholding in Priorgate Holdings Ltd to Trillium PPP Investment Partners No 2 Limited, which is wholly owned by Trillium PPP Investment Partners Ltd, and in turn Trillium PPP Investment Partners LP, acting through its general partner Trillium PPP Investment Partners GP Limited. On 14 December 2007 Land Securities Group PLC disposed of 40.2% of its interest in Trillium PPP Investment Partners LP, on 31 January 2008 it disposed of a further 11.496% of its interest and on 14 March 2008 it disposed of a further 38.3% and as a result ceased to be the ultimate parent undertaking and ultimate controlling party. The company considers that Trillium PPP Investment Partners LP became the ultimate parent undertaking and ultimate controlling party at this date.

The largest and smallest group to consolidate these financial statements is Trillium PPP Investment Partners Limited. Consolidated financial statements for Trillium PPP Investment Partners Limited can be obtained from the company secretary at the registered office, 140 London Wall, London, EC2Y 5DN.

#### 14 Related party disclosures

As a wholly owned subsidiary of Trillium PPP Investment Partners Limited, the company has taken advantage of the exemption under FRS 8 of the requirement to disclose transactions between it and other group companies.