

Priorgate Holdings Limited  
Annual report and financial statements  
for the year ended 31 March 2009

Registered number: 4800642



# **Priorgate Holdings Limited**

## **Annual report and financial statements for the year ended 31 March 2009**

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# **Priorgate Holdings Limited**

## **Directors and advisors**

### **Directors**

A E Birch  
P McCulloch  
I R Gethin (Alternate Director)  
S P Hornby (Alternate Director)

### **Secretary**

Semperian Secretariat Services Limited

### **Registered office**

140 London Wall  
London  
EC2Y 5DN

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

# **Priorgate Holdings Limited**

## **Directors' report for the year ended 31 March 2009**

The directors present their report and the audited financial statements for the year ended 31 March 2009.

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

The principal activity of the company, is the holding of an investment in Priorgate Limited, a company whose principal activity is the provision of two serviced schools to Sheffield City Council, under a Private Finance Initiative ('PFI'), contract, for the period to July 2030. 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.

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

Dividends of £351,937 were paid during the year (2008: £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 2009.

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 (Alternate Director)  
S P Hornby (Alternate Director)

# Priorgate Holdings Limited

## Director's report for the year ended 31 March 2009 (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

The auditors, PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, have signified their willingness to continue in office.

### By order of the board

  
KIM CLEAR  
On behalf of Semperian Secretariat Services Limited  
Secretary

29 JULY 2009

## **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 2009 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 annual report and 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 other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report and the directors and advisors page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

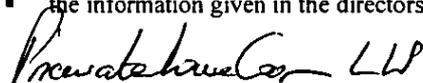
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2009 and of its profit 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

30 July 2009

## Priorgate Holdings Limited

### Profit and loss account for the year ended 31 March 2009

	Notes	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Income from shares in group undertaking		351,937	-
Administrative income/(expenses)		-	(63)
<b>Operating profit /(loss)</b>	2	<b>351,937</b>	<b>(63)</b>
Interest receivable and similar income	3	342,962	347,237
Interest payable and similar charges	4	(342,962)	(347,237)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>351,937</b>	<b>(63)</b>
Tax on profit/(loss) on ordinary activities	5	-	-
<b>Profit/(loss) for the year</b>	13	<b>351,937</b>	<b>(63)</b>

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 profit/(loss) as shown in the profit and loss account and its historical cost equivalent. The movement on reserves is shown in note 13 to the financial statements.

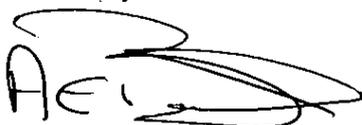
The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

## Priorgate Holdings Limited

### Balance sheet as at 31 March 2009

	Note	31 March 2009 £	31 March 2008 £
<b>Fixed assets</b>			
Investment in subsidiary undertaking	7	10,000	10,000
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	165,052	161,753
Debtors: amounts falling due after more than one year	9	2,531,646	2,553,587
		2,696,698	2,715,340
<b>Creditors: amounts falling due within one year</b>	10	(165,052)	(161,753)
<b>Net current assets</b>		2,531,646	2,553,587
<b>Total assets less current liabilities</b>		2,541,646	2,563,587
<b>Creditors: amounts falling due after more than one year</b>	11	(2,531,646)	(2,553,587)
<b>Net assets</b>		10,000	10,000
<b>Capital and reserves</b>			
Called up share capital	12	10,000	10,000
Profit and loss account	13	-	-
<b>Total shareholder's funds</b>	13	10,000	10,000

The financial statements on pages 5 to 12 were approved by the board on 28 July 2009 and signed on its behalf by.



Director

A. Birch

29 JUL 2009

# Priorgate Holdings Limited

## Notes to the financial statements for the year ended 31 March 2009

### 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's intermediate parent undertaking, Semperian PPP Investment Partners Limited (formerly Trillium PPP Investment Partners Limited), prepares a consolidated cash flow statement, in which the company's cash flows are included.

## Priorgate Holdings Limited

### Notes to the financial statements for the year ended 31 March 2009 (continued)

#### 2 Operating profit/(loss)

The company had no employees, other than the directors, during the year (2008: 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 (2008: £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 2009	Year ended 31 March 2008
	£	£
Interest receivable from subsidiary undertaking	342,962	347,237

#### 4 Interest payable and similar charges

	Year ended 31 March 2009	Year ended 31 March 2008
	£	£
Interest payable to group undertakings	342,962	347,237

## Priorgate Holdings Limited

### Notes to the financial statements for the year ended 31 March 2009 (continued)

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

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

	Year ended 31 March 2009	Year ended 31 March 2008
	£	£
Current tax:	-	-
Tax on (loss)/profit on ordinary activities	-	-

##### b) Factors affecting current tax charge

The tax assessed for the year is lower (2008: higher) than the standard rate of corporation tax in the UK of 28%. The differences are explained below:

(Loss)/profit on ordinary activities before taxation	351,937	(63)
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 30%)	98,542	(19)
Non – taxable (income)/expenses	(98,542)	19
	-	-

##### 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.

#### 6 Dividends paid

	Year ended 31 March 2009	Year ended 31 March 2008
	£	£
Dividends paid: £35.19 (2007: nil) per share	351,937	-

## Priorgate Holdings Limited

### Notes to the financial statements for the year ended 31 March 2009 (continued)

#### 7 Investments in subsidiary undertaking

	31 March 2009	31 March 2008
	£	£
Shares in subsidiary undertaking at cost		
At 1 April 2008 and at 31 March 2009	10,000	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.

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

	31 March 2009	31 March 2008
	£	£
Intercompany loan to subsidiary undertaking	21,942	19,291
Accrued income	143,110	142,462
	165,052	161,753

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

	31 March 2009	31 March 2008
	£	£
Intercompany loan to subsidiary undertaking	2,531,646	2,553,587

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 2009 (continued)

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

	31 March 2009	31 March 2008
	£	£
Shareholder loans	21,942	19,291
Accruals	143,110	142,462
	165,052	161,753

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

a) Total	31 March 2009	31 March 2008
	£	£

Shareholder loans	2,531,646	2,553,587
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#### b) Maturity of debt

Less than one year	21,942	19,291
Between one and two years	24,957	21,942
Between two and five years	97,399	85,931
In more than five years	2,409,290	2,445,714
	2,553,588	2,572,878

The shareholder loans are repayable by 50 semi-annual instalments, which commenced in March 2007. Interest rates fixed at 13.29% per annum.

## Priorgate Holdings Limited

### Notes to the financial statements for the year ended 31 March 2009 (continued)

#### 12 Called up share capital

	31 March 2009	31 March 2008
	£	£
Authorised, allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000

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

	Share capital	Profit & loss account	Total shareholder's funds
	£	£	£
At 1 April 2008	10,000	-	10,000
Profit for the year	-	351,937	351,937
Dividends paid (note 6)	-	(351,937)	(351,937)
<b>At 31 March 2009</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>

#### 14 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Semperian PPP Investment Partners No.2 Limited (formerly Trillium PPP Investment Partners No.2 Limited), which is registered in England and Wales. The ultimate parent undertaking and ultimate controlling party, at the period end, was Semperian PPP Investment Partners Limited Partnership (formerly Trillium PPP Investment Partners Limited Partnership), acting through its general partner Semperian PPP Investment Partners GP Limited (formerly Trillium PPP Investment Partners GP Limited), a company incorporated in England and Wales.

The smallest group to consolidate these financial statements is Semperian PPP Investment Partners Limited (formerly Trillium PPP Investment Partners Limited). The largest group to consolidate these financial statements is Semperian PPP Investment Partners Limited Partnership, acting through its general partner Semperian PPP Investment Partners GP Limited.

Consolidated financial statements for Semperian PPP Investment Partners Limited and Semperian PPP Investment Partners Limited Partnership, acting through its general partner Semperian PPP Investment Partners GP Limited, can be obtained from the Company Secretary at 140 London Wall, London, EC2Y 5DN.

#### 15 Related party disclosures

As a wholly owned subsidiary of Semperian PPP Investment Partners Limited (formerly 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.