

COMPANY NO: 4800642

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# PRIORGATE HOLDINGS LIMITED

## ANNUAL REPORT

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◆ *Period ended 31 March 2005* ◆

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**CONTENTS OF THE ANNUAL REPORT**

	<b>Page</b>
Company Information	1
Report of the Directors	2
Auditor's Report to the Shareholders	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

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## **PRIORGATE HOLDINGS LIMITED**

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### **COMPANY INFORMATION**

<b>Directors</b>	C G R Pratt
	G J Yardley
	R W Christie
	P E Hilton
	C W Mclellan
<b>Secretary</b>	S A F Bailey
<b>Registered office</b>	7 Stratford Place London W1C 1ST
<b>Registered number</b>	4800642
<b>Auditors</b>	RSM Robson Rhodes LLP Chartered Accountants Bryanston Court Selden Hill Hemel Hempstead HP2 4TN
<b>Bankers</b>	Bank of Ireland 20 Berkley Square London W1J 6LL

## **PRIORGATE HOLDINGS LIMITED**

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### **REPORT OF THE DIRECTORS**

The directors present their report and the audited financial statements for the 7 months ended 31 March 2005.

#### **Principal activities**

The company was formed as a holding company for a PFI special purpose vehicle and does not trade in its own right.

#### **Directors**

The directors of the company during the period were as shown below. There were no beneficial interests of the directors in the shares of the company at the period end.

##### **Name**

##### **Directors:**

C G R Pratt

G J Yardley (alternate director)

R W Christie

P E Hilton

C W McLellan (alternate director)

##### **Secretary:**

S A F Bailey

#### **Statement of directors' responsibilities for the Annual Report**

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which 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; and
- 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 proper accounting records which 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.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

## **PRIORGATE HOLDINGS LIMITED**

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### **REPORT OF THE DIRECTORS Continued**

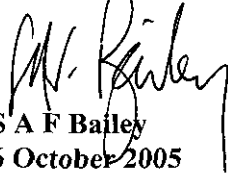
#### **Auditors**

The auditors are willing to continue in office, and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

#### **Approval**

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

The report of the directors was approved by the Board on 6 October 2005 and signed on its behalf by:



S A F Bailey  
6 October 2005

**INDEPENDANT AUDITORS' REPORT TO THE SHAREHOLDERS OF PRIORGATE HOLDINGS LIMITED**

We have audited the financial statements on pages 5 to 11.

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 auditor's 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 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards 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 judgements 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 of the state of the company's affairs as at 31 March 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes LLP  
Chartered Accountants and Registered Auditor  
Hemel Hempstead, England

21 October 2005

**PRIORGATE HOLDINGS LIMITED**

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**PROFIT AND LOSS ACCOUNT**  
**for the period ended 31 March 2005**

	Note	7 months to 31 March 2005 £	15 months to 31 August 2004 £
<b>Turnover: Continuing Operations</b>		-	-
Cost of Sales		-	-
		<hr/>	<hr/>
<b>Gross Profit</b>		-	-
Administrative expenses		(1,800)	(1,519)
		<hr/>	<hr/>
<b>Operating Loss: Continuing Operations</b>	3	(1,800)	(1,519)
Interest receivable	4	1	77
		<hr/>	<hr/>
<b>Loss on Ordinary Activities Before Taxation</b>		(1,799)	(1,442)
Taxation	5	-	-
		<hr/>	<hr/>
<b>Retained Loss for the Financial Period</b>	12	(1,799)	(1,442)
<b>Loss brought forward</b>		(1,442)	-
		<hr/>	<hr/>
<b>Loss carried forward</b>	12	(3,241)	(1,442)
		<hr/>	<hr/>

The company has no recognised gains or losses nor movements in shareholders funds other than those included in the profit and loss account above.

**PRIORGATE HOLDINGS LIMITED****BALANCE SHEET**  
**as at 31 March 2005**

	Note	As at 31 March 2005 £	As at 31 August 2004 £
<b>Fixed Assets</b>			
Investments	6	10,000	10,000
<b>Current Assets</b>			
Debtors	7		
Amounts due after more than one year		2,569,000	-
Amounts due within one year		7,000	-
		2,576,000	-
Cash at bank and in hand		59	58
		2,576,059	58
<b>Creditors: Amounts falling due within one year</b>	8	(10,300)	(1,500)
<b>Net Current Assets/(Liabilities)</b>		2,565,759	(1,442)
<b>Total Assets less Current Liabilities</b>		2,575,759	8,558
<b>Creditors: Amounts falling due after one year</b>	9,10	(2,569,000)	-
<b>Net Assets</b>		6,759	8,558
<b>Capital and reserves</b>			
Called up share capital	11	10,000	10,000
Profit and loss account	12	(3,241)	(1,442)
<b>Equity shareholders' funds</b>	13	6,759	8,558

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 6 October 2005 and signed on its behalf by:

  
**C Pratt**  
**Director**



**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2005**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention.

The financial statements only present information about the company and do not contain information relating to the group as a whole. The company is not required to prepare group accounts because the group qualifies as small under section 249 of the Companies Act 1985.

**Cashflow Statement**

The directors have relied on the exemption conferred on small companies by Financial Reporting Standard 1 and accordingly no such statement has been prepared for these accounts.

**Investments**

Investments are stated at cost and will be written down to recoverable amount should impairment review indicate that this is necessary.

**Consolidated Group Accounts**

The directors have relied on the exemption conferred on small companies by Financial Reporting Standard 2 and accordingly no such statement has been prepared for these accounts.

**2. DIRECTORS' EMOLUMENTS AND STAFF COSTS**

Directors received no emoluments for their services as directors during the accounting period to 31 March 2005 (period to 31 August 2004 £nil). There were no employees in the period (period to 31 August 2004 nil).

**3. OPERATING LOSS**

Operating loss is stated after charging:

	<b>7 months to 31 March 2005</b>	<b>15 months to 31 August 2004</b>
		<b>£</b>
Auditors' remuneration	1,500	1,500
	<hr/>	<hr/>

**4. INTEREST RECEIVABLE**

	<b>7 months to 31 March 2005</b>	<b>15 months to 31 August 2004</b>
	<b>£</b>	<b>£</b>
Bank interest	1	77
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2005****5. TAXATION**

	<b>7 months to 31 March 2005 £</b>	<b>15 months to 31 August 2004 £</b>
<b>United Kingdom Corporation Tax</b>		
Current tax on income for the period	-	-
<b>Current tax reconciliation</b>		
Deficit for the period	(1,799)	(1,442)
Theoretical tax at UK corporation tax rate of 30%	(540)	(433)
Effects of:		
Increase in tax losses	540	433
Current charge for the period	-	-

**Factors that may affect future tax charges**

The company has tax losses of £3,241 as at 31 March 2005 (31 August 2004: £1,442), which may be set against certain profits arising in future accounting periods. The resultant deferred tax asset of £972 as at 31 March 2005 (31 August 2004: £433) has not been recognised due to uncertainties as to the extent and timing of its future recovery.

**6. INVESTMENTS**

	<b>31 March 2005 £</b>	<b>31 August 2004 £</b>
Shares in subsidiary		
Opening balance	10,000	-
Acquisitions	-	10,000
Closing balance	10,000	10,000
Investments comprise		
Priorgate Limited (100% of ordinary share capital)	10,000	10,000

The principal activity of Priorgate Limited is to provide Sheffield Borough Council with two serviced schools. The loss for the period ended 31 March 2005 was £37,552 (31 August 2004: £83,264) and the net liabilities at period-end were £110,816 (31 August 2004: £73,264.)

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**PRIORGATE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2005****7. DEBTORS**

	<b>31 March 2005 £</b>	<b>31 August 2004 £</b>
Loan to Priorgate Limited	2,576,000	-

The loan due from Priorgate Limited includes £2,569,000 which is due after more than one year.

**8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 March 2005 £</b>	<b>31 August 2004 £</b>
Accruals	3,300	1,500
Shareholder loans	7,000	-
	<u>10,300</u>	<u>1,500</u>

**9. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>31 March 2005 £</b>	<b>31 August 2004 £</b>
Shareholder loan	2,569,000	-

**10. BORROWINGS ANALYSIS**

	<b>31 March 2005 £</b>	<b>31 August 2004 £</b>
<b>Shareholder loans repayable:</b>		
Due within 1 year	7,000	-
Due 1-2 years	16,000	-
Due 2-5 years	62,000	-
Due after 5 years	2,491,000	-
Shareholder loan	<u>2,576,000</u>	<u>-</u>

The shareholder loan incurs interest at a rate of 13.29% per annum.

**PRIORGATE HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2005**

**11. CALLED UP SHARE CAPITAL**

	<b>31 March 2005 £</b>	<b>31 August 2004 £</b>
<b>Authorised, allotted and fully paid</b>		
10,000 ordinary shares at £1 each	10,000	10,000

**12. RESERVES**

<b>Profit and Loss Account</b>	<b>7 months to 31 March 2005 £</b>	<b>15 months to 31 August 2004 £</b>
Opening balance	(1,442)	-
Retained loss for the period	(1,799)	(1,442)
Closing balance	(3,241)	(1,442)

**13. MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>7 months to 31 March 2005 £</b>	<b>15 months to 31 August 2004 £</b>
Loss for the period	(1,799)	(1,442)
Share capital issued	-	10,000
Opening shareholders' funds	8,558	-
Closing shareholders' funds	6,759	8,558

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2005**

**14. RELATED PARTIES**

Priorgate Holdings Limited is 10% owned by King Sturge LLP, 30% owned by M J Gleeson Group plc and 60% owned by SMIF UK LP.

The company holds subordinated loan notes in Priorgate Limited totaling £2,576,000 (2004 £nil). No interest has been charged in the period.

The company has issued loan notes to its shareholders King Sturge LLP, M J Gleeson Group plc and Noble-SMIF LP of £257,600 (2004 £nil), £772,800 (2004 £nil) and £1,545,600 (2004 £nil) respectively. No interest has been incurred in the period.