

Priorgate Holdings Limited

Annual report and financial statements
for the year ended 31 March 2012

Registration number 4800642

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Priorgate Holdings Limited

Annual report and financial statements for the year ended 31 March 2012

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Priorgate Holdings Limited

Directors and advisors

Directors

A E Birch

K M Clear

S P Hornby (Alternate Director)

Company secretary

Semperian Secretariat Services Limited

Registered office

St Martins House

1 Gresham Street

London

EC2V 7BX

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Cornwall Court

19 Cornwall Street

Birmingham

B3 2DT

Priorgate Holdings Limited

Registration number: 4800642

Directors' report for the year ended 31 March 2012

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

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 profit 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

No dividend was paid during the year (2011: £232,000). On 20 June 2012 a dividend of £38,187 was approved and paid on 26 June 2012. 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 2012.

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 up to the date of signing the financial statements, are set out below:

A E Birch
K M Clear
S P Hornby (Alternate Director)

Priorgate Holdings Limited

Directors' report for the year ended 31 March 2012 (continued)

Directors' responsibilities statement

The directors are responsible for preparing 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 elected to prepare 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 judgements 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.

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 director is aware, there is no relevant audit information of which PricewaterhouseCoopers LLP ('PwC') are unaware, and the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information, and to establish that PwC are aware of that information.

Independent auditors

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

By order of the board



On behalf of Semperian Secretariat Services Limited
Company secretary

KIM CLEAR

4 JULY 2012

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 2012 which comprise the profit and loss account, the balance sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement 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 International Standards on Auditing (UK and 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.

Scope of the audit of the financial statements

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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit 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.


Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Paul Nott (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

6 July 2012

Priorgate Holdings Limited

Profit and loss account for the year ended 31 March 2012

		Year ended 31 March 2012	Year ended 31 March 2011
	Notes	£	£
Income from shares in group undertaking		-	232,000
Operating profit	2	-	232,000
Interest receivable and similar income	3	304,492	321,851
Interest payable and similar charges	4	(304,492)	(321,851)
Profit on ordinary activities before taxation		-	232,000
Tax on profit on ordinary activities	5	-	-
Profit for the year	13	-	232,000

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 for the period on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalent

The company has no recognised gains and losses other than the profit above and consequently no separate statement of total recognised gains and losses has been presented

The movement on reserves is shown in note 13 to the financial statements

Priorgate Holdings Limited

Balance sheet as at 31 March 2012

	Note	31 March 2012 £	31 March 2011 £
Fixed assets			
Investment in subsidiary undertaking	7	10,000	10,000
Current assets			
Debtors amounts falling due within one year	8	125,757	125,334
Debtors amounts falling due after more than one year	9	2,256,689	2,256,689
		2,382,446	2,382,023
Creditors: amounts falling due within one year	10	(125,757)	(125,334)
Net current assets		2,256,689	2,256,689
Total assets less current liabilities		2,266,689	2,266,689
Creditors: amounts falling due after more than one year	11	(2,256,689)	(2,256,689)
Net assets		10,000	10,000
Capital and reserves			
Called up share capital	12	10,000	10,000
Profit and loss reserve	13	-	-
Total shareholder's funds	13	10,000	10,000

The financial statements on pages 5 to 12 were approved by the board on 4 JULY 2012 and signed on its behalf by


 Director
 ALAN BIRCH

Priorgate Holdings Limited

Notes to the financial statements for the year ended 31 March 2012

1 Principal accounting policies

A summary of the company's principal accounting policies, which have been consistently applied, 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 2006 and applicable accounting and financial reporting standards in the United Kingdom. The financial statements contain information about Priorgate Holdings Limited as an individual company and do not contain consolidated financial information. The company is exempt from the requirement to prepare consolidated financial statements, under section 401 of the Companies Act 2006, as its results are included in the consolidated financial statements of Semperian PPP Investment Partners Holdings Limited.

Investment income

Investment income includes dividends and interest receivable. Dividends are included in income when approved 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 are stated at cost less an appropriate provision to reflect any impairment in the value of the investments.

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 ultimate parent undertaking, Semperian PPP Investment Partners Holdings Limited, prepares a consolidated cash flow statement, in which the company's cash flows are included.

2 Operating profit

The company had no employees, other than the directors, during the year (2011: none). The emoluments of the directors are paid by the controlling parties. The directors' services to this company and to a number of fellow group companies are primarily of a non-executive nature and their emoluments are deemed to be wholly attributable to the controlling parties. The controlling parties charged £nil (2011: £nil) to the company in respect of these services.

The audit fees in respect of the company, of £2,000 (2011: £2,000) for the current and preceding year, have been borne by Priorgate Limited and not recharged to the company.

Priorgate Holdings Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

3 Interest receivable and similar income

	Year ended 31 March 2012	Year ended 31 March 2011
	£	£
Interest receivable from subsidiary undertaking	304,492	321,851

4 Interest payable and similar charges

	Year ended 31 March 2012	Year ended 31 March 2011
	£	£
Interest payable to group undertakings	304,492	321,851

Priorgate Holdings Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

5 Tax on profit on ordinary activities

a) Analysis of tax for the year

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Current tax:	-	-
Tax on profit on ordinary activities	-	-

b) Factors affecting current tax charge

The tax assessed for the year is equal to (2011 less than) the standard rate of corporation tax in the UK of 26%
The differences are explained below

Profit on ordinary activities before taxation	-	232,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 28%)	-	64,960
Non – taxable (income)	-	(64,960)
	-	-

c) Factors that may affect future tax charges

A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. This reduction replaces the decrease to 25% previously enacted in Finance Act 2011. Proposed further reductions to 23% and 22% are expected to be included in Finance Bill 2012 and Finance Bill 2013, respectively. These changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements. The impact of the proposed changes is not expected to be material to the balance sheet.

6 Dividends paid

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Dividends paid £nil (2011 £23.20) per share	-	232,000

Priorgate Holdings Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

7 Investments in subsidiary undertaking

	31 March 2012	31 March 2011
	£	£
Shares in subsidiary undertaking at cost		
At 1 April 2011 and at 31 March 2012	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 2012	31 March 2011
	£	£
Accrued income	125,757	125,334

9 Debtors: amounts falling due after more than one year

	31 March 2012	31 March 2011
	£	£
Intercompany loan to subsidiary undertaking	2,256,689	2,256,689

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

The repayment of the subordinated loan notes was accelerated in the year ended 31 March 2011 by the payment of £250,000 of the outstanding principal. As such the next repayment is not now due until the year ending March 2016

Priorgate Holdings Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

10 Creditors: amounts falling due within one year

	31 March 2012	31 March 2011
	£	£
Accruals and deferred income	125,757	125,334

11 Creditors: amounts falling due after more than one year

a) Total	31 March 2012	31 March 2011
	£	£
Subordinated loan notes	2,256,689	2,256,689

b) Maturity of debt

In more than five years	2,256,689	2,256,689
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The subordinated loan note repayments commenced in March 2006. The repayment of the subordinated loan notes was accelerated in the year ended 31 March 2011 by the payment of £250,000 of the outstanding principal. As such the next repayment is not now due until the year ending March 2016. These loan notes have an interest rate fixed at 13.29% per annum.

Priorgate Holdings Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

12 Called up share capital

	31 March 2012	31 March 2011
	£	£
Allotted 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 2010	10,000	-	10,000
Profit for the year	-	232,000	232,000
Dividends paid (note 6)	-	(232,000)	(232,000)
At 1 April 2011	10,000	-	10,000
Profit for the year	-	-	-
At 31 March 2012	10,000	-	10,000

14 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Semperian PPP Investment Partners No 2 Limited, which is registered in England and Wales

The ultimate parent undertaking and ultimate controlling party, at the year end, was Semperian PPP Investment Partners Holdings Limited which is registered in Jersey. The smallest group and largest group to consolidate these financial statements is Semperian PPP Investment Partners Holdings Limited

Consolidated financial statements for Semperian PPP Investment Partners Holdings Limited can be obtained from the Company Secretary at St Martins House, 1 Gresham Street, London, EC2V 7BX

15 Related party disclosures

As a wholly owned subsidiary of Semperian PPP Investment Partners Holdings Limited, the company has taken advantage of the exemption under Financial Reporting Standard 8 of the requirement to disclose transactions between it and other group companies