

Priorgate Holdings Limited
Annual report and financial statements
for the year ended 31 March 2015

Registration number: 4800642

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Priorgate Holdings Limited

Annual report and financial statements for the year ended 31 March 2015

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Priorgate Holdings Limited

Directors and advisors

Directors	R Little
	PPP Nominee Directors Limited
	R G Sparks
	J S McCabe
Company secretary	Semperian Secretariat Services Limited
Registered office	Third Floor
	Broad Quay House
	Prince Street
	Bristol
	BS1 4DJ
Independent auditors	PricewaterhouseCoopers LLP
	Chartered Accountants and Statutory Auditors
	31 Great George Street
	Bristol
	BS1 5QD

Priorgate Holdings Limited

Strategic report for the year ended 31 March 2015

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

Results, principal activities and review of 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.

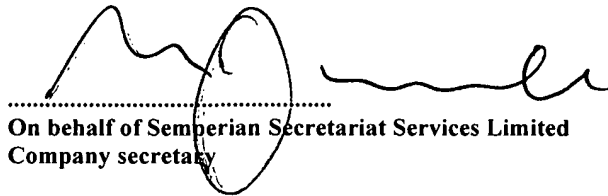
The profit for the year is set out in the profit and loss account on page 7. The directors consider the performance of the company during the year, the financial position at the end of the year and its prospects for the future to be satisfactory.

Principal risks and uncertainties, 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 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 strategic report of the financial statements of Priorgate Limited for the year ended 31 March 2015.

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.

By order of the Board



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On behalf of Semperian Secretariat Services Limited
Company secretary

24 JUN 2015

Priorgate Holdings Limited

Registration number: 4800642

Directors' report for the year ended 31 March 2015

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

Future developments

No significant changes are expected to the company's activities, as set out in the Strategic Report, in the foreseeable future.

Dividends and transfers to reserves

A dividend of £594,720 (£59.47 per ordinary share) was paid during the year, (2014: £210,938 £21.09 per ordinary share).

Financial risk management

As detailed in the Strategic Report, Priorgate Holdings Limited acts as a holding company for its subsidiary, Priorgate Limited. As such the financial risk management adopted by Priorgate Limited is applicable to the management of Priorgate Holdings Limited's investment in its subsidiary and is detailed in the Directors' Report of the financial statements for Priorgate Limited for the year ended 31 March 2015.

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 of the company

The directors of the company during the year, and up to the date of signing the financial statements, are set out below:

R Little

H J W Pownall (resigned 11 February 2015)

PPP Nominee Directors Limited

R G Sparks (appointed 27 June 2014)

J S McCabe (appointed 11 February 2015)

Priorgate Holdings Limited

Directors' report for the year ended 31 March 2015 (continued)

Directors' responsibilities statement

The directors are responsible for preparing the Annual report and 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 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; 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 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


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On behalf of Semperian Secretariat Services Limited
Company secretary

24 JUN 2015

Priorgate Holdings Limited

Independent auditors' report to the members of Priorgate Holdings Limited

Report on the financial statements

Our opinion

In our opinion, Priorgate Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 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.

What we have audited

Priorgate Holdings Limited's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account 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 the preparation of the financial statements 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.

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.

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.

Priorgate Holdings Limited

Independent auditors' report to the members of Priorgate Holdings Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



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

6 July 2015

Priorgate Holdings Limited

Profit and loss account for the year ended 31 March 2015

	Note	Year ended 31 March 2015 £ '000	Year ended 31 March 2014 £ '000
Income from shares in group undertakings		595	211
Interest receivable and similar income	3	306	306
Interest payable and similar charges	4	(306)	(306)
Profit on ordinary activities before taxation		595	211
Tax on profit on ordinary activities	5	-	-
Profit for the financial year	12	595	211

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

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

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.

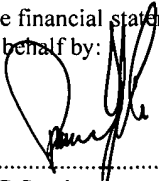
The movements on reserves are shown in note 12 to the financial statements.

Priorgate Holdings Limited

Balance sheet as at 31 March 2015

	Note	31 March 2015 £ '000	31 March 2014 £ '000
Fixed assets			
Investments	7	2,267	2,267
Current assets			
Debtors: amounts falling due within one year	8	127	127
Creditors: amounts falling due within one year	9	(127)	(127)
Net current assets/(liabilities)		-	-
Total assets less current liabilities		2,267	2,267
Creditors: amounts falling due after more than one year	10	(2,257)	(2,257)
Net assets		10	10
Capital and reserves			
Called up share capital	11	10	10
Profit and loss account	12	-	-
Total shareholder's funds	12	10	10

The financial statements on pages 7 to 14 were approved by the Board on **18 JUN 2015** and signed on its behalf by:


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R G Sparks
Director

Priorgate Holdings Limited

Notes to the financial statements for the year ended 31 March 2015

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 financial statements

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, as 'Income from shares in group undertakings', when declared by the paying company. Interest receivable is included, as 'Interest receivable and similar income', on an accruals basis. This heading also 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 an 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.

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 (2014: 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 (2014: £nil) to the company in respect of these services.

The audit fees in respect of the company, of £1,000 (2014: £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 2015 (continued)

3 Interest receivable and similar income

	Year ended 31 March 2015 £ '000	Year ended 31 March 2014 £ '000
Interest receivable on subordinated debt	306	306

4 Interest payable and similar charges

	Year ended 31 March 2015 £ '000	Year ended 31 March 2014 £ '000
Interest payable on subordinated debt	306	306

Priorgate Holdings Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

5 Tax on profit on ordinary activities

(a) Analysis of tax charge for the year

	Year ended 31 March 2015 £ '000	Year ended 31 March 2014 £ '000
Current tax:		
Total current tax	-	-
Tax (credit)/charge on profit on ordinary activities	-	-

(b) Factors affecting current tax charge

The tax assessed for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	Year ended 31 March 2015 £ '000	Year ended 31 March 2014 £ '000
Profit on ordinary activities before taxation	595	211
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014: 23%)	125	49
Effects of:		
Non-taxable income	(125)	(49)
Current tax (credit)/charge for the year (note 5(a))	-	-

(c) Factors that may affect future tax charges

Finance Act 2013, which was substantively enacted on 2 July 2013, included legislation to reduce the main rate of corporation tax to 20% with effect from 1 April 2015.

Priorgate Holdings Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

6 Dividends

	Year ended 31 March 2015 £ '000	Year ended 31 March 2014 £ '000
Dividends paid - £59.47 per share (2014: £21.09 per share)	595	211

7 Investments

	Equity £ '000	Subordinated debt £ '000	Total £ '000
Cost and net book value:			
At 1 April 2014	10	2,257	2,267
Debt repayments	-	-	-
At 31 March 2015	10	2,257	2,267

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.

The loan to subsidiary undertaking is repayable by 50 semi-annual instalments, which commenced in March 2006, 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 2012 by the payment of £250,000 of the outstanding principal. As such the next repayment is not now due until the year ending March 2018.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

8 Debtors: amounts falling due within one year

	31 March 2015 £ '000	31 March 2014 £ '000
Amounts owed by group undertakings	127	127

Priorgate Holdings Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

9 Creditors: amounts falling due within one year

	31 March 2015 £ '000	31 March 2014 £ '000
Amounts owed to group undertakings	127	127

10 Creditors: amounts falling due after more than one year

(a) Debt

	31 March 2015 £ '000	31 March 2014 £ '000
Subordinated debt	2,257	2,257

(b) Maturity of debt

	31 March 2015 £ '000	31 March 2014 £ '000
Between two and five years	52	122
In more than five years	2,205	2,135
	2,257	2,257

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 2018. These loan notes have an interest rate fixed at 13.29% per annum.

All other amounts owed to or owed by group undertakings are interest free, unsecured and repayable on demand.

11 Called up share capital

	31 March 2015 £ '000	31 March 2014 £ '000
Allotted and fully paid		
10,000 Ordinary shares of £1 each	10	10

Priorgate Holdings Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

12 Reconciliation of movements in total shareholders' funds and reserves

	Share capital £ '000	Profit and loss account £ '000	Total Shareholders' funds £ '000
At 1 April 2013	10	-	10
Profit for the financial year	-	211	211
Dividends paid (note 6)	-	(211)	(211)
At 1 April 2014	10	-	10
Profit for the financial year	-	595	595
Dividends paid (note 6)	-	(595)	(595)
At 31 March 2015	10	-	10

13 Ultimate parent undertaking and controlling party

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

The ultimate parent undertaking and controlling party is 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 Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.

14 Related party transactions

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 - 'Related Party Disclosures' of the requirement to disclose transactions between it and other group companies.