

Project CIC Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2008

Registration number: 5207179

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Project CIC Limited

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Project CIC Limited
Company Information

| | |
|--------------------------|---|
| Directors | C F Pritchard |
| | J C Pritchard |
| | C M Salmon |
| Secretary | C M H Kemp |
| Registered office | Anglesey Lodge Hednesford Staffs WS12 1DL |
| Auditors | RSM Bentley Jennison Chartered Accountants & Registered Auditors 3 Hollinswood Court Stafford Park 1 Telford TF3 3BD |

Project CIC Limited
Directors' Report for the Year Ended 31 December 2008

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

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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 the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Each director has taken 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 the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Principal activity

The principal activity of the company is that of a holding company.

Results and dividend

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year were as follows:

- C F Pritchard
- J C Pritchard
- C M Salmon
- S L Pritchard (resigned 19 February 2009)

Approved by the Board and signed on its behalf by:



C M H Kemp
Company Secretary

Date: 21.05.09

Independent Auditors' Report to the Members of Project CIC Limited

We have audited the financial statements of Project CIC Limited for the year ended 31 December 2008. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our 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 auditors' 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

As described in the statement of Directors' responsibilities on page 2, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its result 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.

RSM Bentley Jennison

RSM Bentley Jennison
Chartered Accountants & Registered Auditors

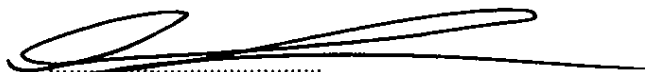
Date: 27 May 2009

3 Hollinswood Court
Stafford Park 1
Telford
TF3 3BD

Project CIC Limited
Balance Sheet as at 31 December 2008

| | | 2008 | 2007 |
|---|------|--------------------|--------------------|
| | Note | £ | £ |
| Fixed assets | | | |
| Investments | 2 | 2,285,689 | 2,285,689 |
| Current assets | | | |
| Debtors | 3 | 324 | 1,084 |
| Cash at bank and in hand | | 55,060 | 55,091 |
| | | <u>55,384</u> | <u>56,175</u> |
| Creditors: Amounts falling due within one year | 4 | <u>(2,341,072)</u> | <u>(2,341,863)</u> |
| Net current liabilities | | <u>(2,285,688)</u> | <u>(2,285,688)</u> |
| Net assets | | <u>1</u> | <u>1</u> |
| Capital and reserves | | | |
| Called up share capital | 5 | 1 | 1 |
| Profit and loss account | | <u>-</u> | <u>-</u> |
| Shareholders' funds | 6 | <u>1</u> | <u>1</u> |

Approved by the Board on 21.5.09 and signed on its behalf by:



C F Pritchard
Director

The notes on pages 5 to 7 form an integral part of these financial statements.

Project CIC Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies are set out below.

Cash flow statement

As the company is a wholly owned subsidiary of Project AML Limited, and whose accounts are available from Companies House, it is exempt from the requirement to present a cash flow statement.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any permanent diminution in value.

2 Fixed asset investments

| | Group shares £ |
|---|-------------------|
| Cost | |
| As at 1 January 2008 and 31 December 2008 | <u>2,285,689</u> |
| Net book value | |
| As at 31 December 2008 | <u>2,285,689</u> |
| As at 31 December 2007 | <u>2,285,689</u> |

The company holds more than 20% of the share capital of the following company:

| | Country of incorporation | Principal activity | Class | % |
|--------------------------------------|-----------------------------|--|---|-----|
| Subsidiary undertakings | | | | |
| Impulse Property Development Limited | England and Wales | Development and sale of real estate | Ordinary | 100 |
| | | Capital & reserves £ | Profit/(loss) for the period £ | |
| Subsidiary undertakings | | | | |
| Impulse Property Development Limited | | 546,284 | 50,462 | |

3 Debtors

| | 2008 £ | 2007 £ |
|------------------------------------|------------|--------------|
| Amounts owed by group undertakings | <u>324</u> | <u>1,084</u> |

Project CIC Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

..... continued

4 Creditors: Amounts falling due within one year

| | 2008 £ | 2007 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 59 | - |
| Amounts owed to group undertakings | 2,340,998 | 2,340,998 |
| Other creditors | 15 | 15 |
| Accruals and deferred income | - | 850 |
| | <u>2,341,072</u> | <u>2,341,863</u> |

5 Share capital

| | 2008 £ | 2007 £ |
|---|----------------|----------------|
| Authorised | | |
| Equity | | |
| 100,000 Ordinary shares of £1 each | <u>100,000</u> | <u>100,000</u> |
| Allotted, called up and fully paid | | |
| Equity | | |
| 1 Ordinary share of £1 each | <u>1</u> | <u>1</u> |

6 Reconciliation of movements in shareholders' funds

| | 2008 £ | 2007 £ |
|---|-----------|-----------|
| Loss attributable to members of the company | - | - |
| Opening shareholders' funds | <u>1</u> | <u>1</u> |
| Closing shareholders' funds | <u>1</u> | <u>1</u> |

7 Contingent liabilities

Pritchard Group plc and all of its subsidiaries, Pritchard Construction Limited, Pritchard & Associates Limited, Pritchard Hotels Limited and Chaseregen plc and its subsidiaries provide unlimited guarantees to the company's bankers, Lloyds TSB Bank plc. The total indebtedness of these companies at 31 December 2008 was £141,675,577 (2007: £136,778,234).

The bank borrowings are secured over the assets of the above companies.

Project CIC Limited
Notes to the Financial Statements for the Year Ended 31 December 2008

..... *continued*

8 Related parties

Controlling entity

The parent undertaking of the company is Project AML Limited.

The ultimate parent undertaking is Chaseregen plc.

Related party transactions

The directors have interests in a number of other companies.

In accordance with FRS 8 the company is exempt from disclosing transactions with Chaseregen plc and its subsidiaries.