

**PROJECT CIC LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

**Company Registration Number 05207179**

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**PROJECT CIC LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2010**

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**PROJECT CIC LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 31 DECEMBER 2010**

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<b>The board of directors</b>	C F Pritchard J C Pritchard C M Salmon
<b>Company secretary</b>	C M H Kemp
<b>Business address</b>	Anglesey Lodge Hednesford Staffordshire WS12 1DL
<b>Registered office</b>	As above
<b>Auditor</b>	RSM Tenon Audit Limited Unit 3, Hollinswood Court Stafford Park 1 Telford Shropshire TF3 3DE

**PROJECT CIC LIMITED**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2010**

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The directors present their report and the financial statements of the company for the year ended 31 December 2010

**Principal activities**

The principal activity of the company during the year was that of a holding company

**Directors**

The directors who served the company during the year were as follows

C F Pritchard  
J C Pritchard  
C M Salmon

**Directors' responsibilities**

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 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 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.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

**Auditor**

RSM Tenon Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006

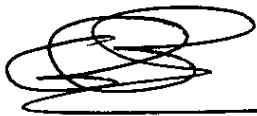
**PROJECT CIC LIMITED**  
**THE DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 31 DECEMBER 2010**

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**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed by order of the directors



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C M H Kemp  
Company Secretary

Approved by the directors on 31 August 2011

**PROJECT CIC LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROJECT**  
**CIC LIMITED**

**YEAR ENDED 31 DECEMBER 2010**

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We have audited the financial statements of Project CIC Limited for the year ended 31 December 2010 on pages 6 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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.

**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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters 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.

**PROJECT CIC LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROJECT**  
**CIC LIMITED** *(continued)*

**YEAR ENDED 31 DECEMBER 2010**

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**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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

*RSM Tenon Audit Limited*

Mark Evans, Senior Statutory Auditor  
For and on behalf of

RSM Tenon Audit Limited  
Statutory Auditor  
Unit 3, Hollinswood Court  
Stafford Park 1  
Telford  
Shropshire  
TF3 3DE

31 August 2011

**PROJECT CIC LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £	2009 £
<b>Turnover</b>		—	—
Administrative expenses		118,312	(1,674,834)
<b>Operating profit/(loss)</b>	2	118,312	(1,674,834)
Attributable to Exceptional items	2	118,312	(1,674,834)
<b>Profit/(loss) on ordinary activities before taxation</b>		118,312	(1,674,834)
Tax on profit/(loss) on ordinary activities		—	—
<b>Profit/(loss) for the financial year</b>		118,312	(1,674,834)

The notes on pages 8 to 10 form part of these financial statements



**PROJECT CIC LIMITED**  
Registered Number 05207179

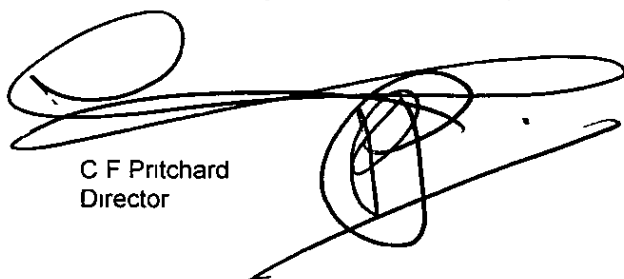
**BALANCE SHEET**

**31 DECEMBER 2010**

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Investments	4	784,167	610,855
<b>Current assets</b>			
Debtors	5	2,271	468
Cash at bank		340	55,031
		<u>2,611</u>	<u>55,499</u>
<b>Creditors: Amounts falling due within one year</b>	6	<u>(2,343,299)</u>	<u>(2,341,187)</u>
<b>Net current liabilities</b>		(2,340,688)	(2,285,688)
<b>Total assets less current liabilities</b>		<u>(1,556,521)</u>	<u>(1,674,833)</u>
<b>Capital and reserves</b>			
Called-up share capital	10	1	1
Profit and loss account	11	(1,556,522)	(1,674,834)
<b>Shareholders' funds</b>		<u>(1,556,521)</u>	<u>(1,674,833)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 31 August 2011, and are signed on their behalf by

  
C F Pritchard  
Director

The notes on pages 8 to 10 form part of these financial statements

**PROJECT CIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2010**

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**1 Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The principal accounting policies are set out below.

Under section 400 of the Companies Act 2006 the company is exempt from preparing consolidated financial statements because it is a subsidiary of Pritchard Group plc, a company registered in the United Kingdom, and that company prepares and files consolidated financial statements which meet the conditions set out in section 400. Therefore the financial statements present information about the company as an individual undertaking and not about its group.

The principal accounting policies are set out below.

**Going Concern**

The directors have considered the going concern assumption carefully when preparing the accounts. They have prepared a detailed business plan and financial forecasts for the next 6 years. The plan includes a programme of appraisal of the investment property portfolio and as a result some property sales are anticipated together with selected investment and development. This plan has been reviewed by the Group's bankers who have renewed the current facilities which are subject to normal annual review to December 2013. Therefore, the directors have concluded that the going concern assumption is appropriate.

**Cash flow statement**

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is a wholly owned subsidiary of Pritchard Group plc and the parent company has prepared publicly available consolidated financial statements which include a consolidated cash flow statement incorporating the company's cash flows.

**Fixed asset investments**

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

**2 Operating profit/(loss)**

Operating profit/(loss) is stated after charging/(crediting)

	2010	2009
	£	£
Provision against debt due from group undertaking	55,000	1,674,834
Exceptional reversal of fixed asset impairment	<u>(173,312)</u>	<u>—</u>

During the year the directors considered the valuation of the fixed asset investment. Based on their assessment of the carrying value of the net assets of Impulse Property Developments Limited there has been a partial reversal of a previously recognised impairment. The exceptional item of £1.7 million in 2009 relates to the impairment of fixed assets.

**3 Auditors remuneration**

The auditors remuneration for the year has been disclosed within Project AML Limited.

**PROJECT CIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2010**

**4 Investments**

	<b>Group shares £</b>
<b>Cost</b>	
At 1 January 2010 and 31 December 2010	<u>2,285,689</u>
<b>Amounts written off</b>	
At 1 January 2010	1,674,834
Written off in prior years written back	<u>(173,312)</u>
At 31 December 2010	<u>1,501,522</u>
<b>Net book value</b>	
At 31 December 2010	784,167
At 31 December 2009	<u>610,855</u>

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

<b>Name</b>	<b>Holding</b>	<b>%</b>	<b>Principal activity</b>
Impulse Property Developments Limited	Ordinary shares	100	Development and selling of real estate
		<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
<b>Aggregate capital and reserves</b>			
Impulse Property Developments Limited		784,167	610,855
<b>Profit and (loss) for the year</b>			
Impulse Property Developments Limited		102,874	64,571

**5 Debtors**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	2,271	324
Other debtors	<u>—</u>	<u>144</u>
	<u>2,271</u>	<u>468</u>

**6 Creditors Amounts falling due within one year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade creditors	59	59
Amounts owed to group undertakings	2,340,998	2,340,998
Other creditors	<u>2,242</u>	<u>130</u>
	<u>2,343,299</u>	<u>2,341,187</u>

**PROJECT CIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2010**

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**7 Contingencies**

Pritchard Construction Limited, Pritchard Group plc and all of its subsidiaries, Pritchard & Associates Limited, Pritchard Management Limited and Pritchard Estates (Cannock) Limited and all of its subsidiaries provide unlimited guarantees to the company's bankers, Lloyds TSB Bank plc. The total indebtedness of these companies at 31 December 2010 was £142,854,495 (2009 £143,376,311)

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

**8 Controlling entity**

The parent undertaking of the company is Project AML Limited which is owned by Chaseregen Limited (formerly Chaseregen plc)

During the period 100% of the share capital of Chaseregen Limited (formerly Chaseregen plc) was acquired by Pritchard Group plc as the ultimate parent undertaking

**9 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 Pritchard Group plc and its subsidiaries

At the balance sheet date the following amounts were due from/(to) related parties

	2010 £	2009 £
Pritchard Construction Limited	(2,242)	—

**10. Share capital**

**Authorised share capital**

	2010 £	2009 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

**Allotted, called up and fully paid:**

	2010 No	£	2009 No	£
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**11 Profit and loss account**

	2010 £	2009 £
Balance brought forward	(1,674,834)	—
Profit/(loss) for the financial year	<u>118,312</u>	<u>(1,674,834)</u>
Balance carried forward	<u>(1,556,522)</u>	<u>(1,674,834)</u>

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