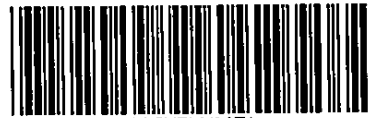


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Project CIC Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2009

Registration number 05207179

Project CIC Limited

Contents

Company Information	1
Directors' report	2 to 3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 to 10

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 Tenon Audit Limited Statutory Auditor 3 Hollinswood Court Stafford Park 1 Telford TF3 3DE

Project CIC Limited

Directors' Report for the Year Ended 31 December 2009

The directors present their report and the audited financial statements for the year ended 31 December 2009

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 2006. 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)

Auditors

The audit business of RSM Bentley Jennison, who had previously been appointed as the company's auditors, has merged with that of RSM Tenon Audit Limited, who succeeded to the office of auditors to the company. The audit report on the financial statements has therefore been issued by the successor firm, RSM Tenon Audit Limited.

Project CIC Limited
Directors' Report for the Year Ended 31 December 2009

continued

Approved by the Board and signed on its behalf by

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line.

C M H Kemp
Company Secretary

Date 29 05 2010

Independent Auditors' Report to the Members of Project CIC Limited (Registration number: 05207179)

We have audited the financial statements of Project CIC Limited for the year ended 31 December 2009 set out on pages 5 to 10. 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).

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 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 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 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 (APB'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 the directors and the overall presentation of the financial statements.

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 2009 and of its loss 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 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.

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

RSM Tenon Audit Limited

Mark Evans
Senior Statutory Auditor

for and on behalf of
RSM Tenon Audit Limited
Statutory Auditor

Date *28 May 2010*

3 Hollinswood Court
Stafford Park 1
Telford
TF1 3 3DF

Project CIC Limited
Profit and Loss Account for the Year Ended 31 December 2009

	Note	2009 £	2008 £
Turnover		-	-
Administrative expenses <i>including exceptional items of £1,674,834 (2008 £0)</i>		(1,674,834)	-
<hr/>			
Operating loss			
Excluding exceptional items		-	-
Exceptional costs	2	(1,674,834)	-
Operating loss		(1,674,834)	-
<hr/>			
Loss on ordinary activities before taxation		(1,674,834)	-
<hr/>			
Loss for the financial year	7	(1,674,834)	-

Turnover and operating loss derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

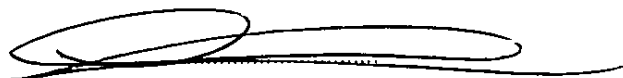
The notes on pages 7 to 10 form an integral part of these financial statements

Project CIC Limited (Registration number: 05207179)

Balance Sheet as at 31 December 2009

		2009		2008	
	Note	£	£	£	£
Fixed assets					
Investments	3		610 855		2 285 689
Current assets					
Debtors	4	468		324	
Cash at bank and in hand		<u>55,031</u>		<u>55 060</u>	
		55,499		55 384	
Creditors Amounts falling due within one year	5	<u>(2,341,187)</u>		<u>(2,341,072)</u>	
Net current liabilities			<u>(2,285,688)</u>		<u>(2,285,688)</u>
Net (liabilities)/assets			<u>(1 674,833)</u>		<u>1</u>
Capital and reserves					
Called up share capital	6		1		1
Profit and loss account	7		<u>(1,674,834)</u>		<u>-</u>
Shareholders' (deficit)/funds	8		<u>(1,674,833)</u>		<u>1</u>

Approved by the Board on ^{20.05.10} and signed on its behalf by



C F Pritchard
Director

The notes on pages 7 to 10 form an integral part of these financial statements

Project CIC Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

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.

Under section 400 of the Companies Act 2006 the company is exempt from preparing consolidated financial statements because it is a subsidiary of Chaseregen 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.

Cash flow statement

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

Going concern

The directors have considered the going concern assumption carefully when preparing the accounts. They have prepared forecasts for the next 12 months and the Group's bankers have reviewed these forecasts and have indicated their continuing support for the Group. Therefore the directors have concluded that the going concern assumption is appropriate.

Fixed asset investments

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

2 Exceptional items

	2009 £	2008 £
Impairment of tangible fixed asset investment	<u>1,674,834</u>	<u>-</u>

During the year the directors considered the valuation of the tangible fixed asset investments. Based upon their assessment the carrying value of Impulse Property Development Limited was revalued to equal the net assets of this company.

Project CIC Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

continued

3 Fixed asset investments

	Group shares £
Cost	
As at 1 January 2009 and 31 December 2009	<u>2,285,689</u>
Provision	
Charge for the year	<u>1,674,834</u>
Net book value	
As at 31 December 2009	<u>610,855</u>
As at 31 December 2008	<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	610,855	64,571	

4 Debtors

	2009 £	2008 £
Amounts owed by group undertakings	324	324
Other debtors	<u>144</u>	<u>-</u>
	<u>468</u>	<u>324</u>

Project CIC Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

continued

5 Creditors Amounts falling due within one year

	2009 £	2008 £
Trade creditors	59	59
Amounts owed to group undertakings	2,340,998	2 340 998
Other creditors	130	15
	<u>2,341,187</u>	<u>2 341,072</u>

6 Share capital

	2009 £	2008 £
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>

7 Reserves

	Profit and loss account £
Balance at 1 January 2009	-
Transfer from profit and loss account for the year	(1 674 834)
Balance at 31 December 2009	<u>(1 674,834)</u>

8 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Loss attributable to members of the company	(1,674,834)	-
Opening shareholders' funds	<u>1</u>	<u>1</u>
Closing shareholders' (deficit)/funds	<u>(1,674,833)</u>	<u>1</u>

Project CIC Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

continued

9 Contingent liabilities

Pritchard Group plc and all of its subsidiaries, Pritchard Construction Limited, Pritchard & Associates Limited, Pritchard Hotels Limited, Pritchard Management Limited, Pritchard Estates (Cannock) Limited, Pritchard Catering 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 2009 was £143,376,311 (2008: £141,675,577).

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

10 Related parties

Controlling entity

The parent undertaking of the company is Project AML Limited.

The ultimate parent undertaking is Chaseregen plc, which became Chaseregen Limited on 13 January 2010.

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.

11 Post balance sheet event

On 1 January 2010, 100% of the called up ordinary share capital in Chaseregen plc, which became Chaseregen Limited on 13 January 2010, was acquired by Pritchard Group plc.