

**PROJECT CIC LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**  
**Company Registration Number 05207179**

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**PROJECT CIC LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

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**PROJECT CIC LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 31 DECEMBER 2013**

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<b>The director</b>	C M Salmon
<b>Company secretary</b>	S P Bone
<b>Business address</b>	Suite 107, Point South Park Plaza Heath Hayes Cannock Staffordshire England WS12 2DD
<b>Registered office</b>	Suite 107, Point South Park Plaza Heath Hayes Cannock Staffordshire England WS12 2DD
<b>Auditor</b>	Baker Tilly UK Audit LLP Chartered Accountants Unit 3 Hollinswood Court Stafford Park 1 Telford Shropshire TF3 3DE

**PROJECT CIC LIMITED**  
**DIRECTOR'S REPORT**  
**YEAR ENDED 31 DECEMBER 2013**

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The director presents his report and the financial statements of the company for the year ended 31 December 2013.

**Principal activities**

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

**Director**

The director who served the company during the year was as follows:

C M Salmon

**Director's responsibilities**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 year.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

With effect from 31 March 2014, Baker Tilly Audit Limited resigned as auditors and Baker Tilly UK Audit LLP was appointed in their place. There were no circumstances in respect of the Auditors resignation that required bringing to the attention of the members or creditors.

**PROJECT CIC LIMITED**

**DIRECTOR'S REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2013**

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**Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed by order of the Board



S P Bone

Company Secretary

Approved by the director on 25 September 2014

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

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We have audited the financial statements of Project CIC Limited for the year ended 31 December 2013 on pages 6 to 11. 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 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 director and auditor**

As explained more fully in the Director's Responsibilities Statement set out on page 2, the director is 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### **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 2013 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.

### **Emphasis of matter - going concern**

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £152,656 during the year ended 31 December 2013 and at that date the company's current liabilities exceeded its total assets by £2,343,344. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the director's report.

*Baker Tilly UK Audit LLP*  
Mark Evans, Senior Statutory Auditor  
For and on behalf of  
Baker Tilly UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Unit 3 Hollinswood Court  
Stafford Park 1  
Telford  
Shropshire  
TF3 3DE  
*30/9/2014*

**PROJECT CIC LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
<b>Turnover</b>		—	—
Administrative expenses		(152,656)	(634,167)
<b>Operating loss</b>	2	(152,656)	(634,167)
Attributable to: Exceptional items	2	(152,656)	(634,167)
<b>Loss on ordinary activities before taxation</b>		(152,656)	(634,167)
Tax on loss on ordinary activities		—	—
<b>Loss for the financial year</b>		(152,656)	(634,167)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 11 form part of these financial statements.



**PROJECT CIC LIMITED**  
Registered Number 05207179

**BALANCE SHEET**

**31 DECEMBER 2013**

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Investments	5	-	150,000
<b>Current assets</b>			
Debtors	6	-	2,585
Cash at bank		4,938	4,983
		<u>4,938</u>	<u>7,568</u>
<b>Creditors: Amounts falling due within one year</b>	7	<u>(2,348,282)</u>	<u>(2,348,256)</u>
<b>Net current liabilities</b>		(2,343,344)	(2,340,688)
<b>Total assets less current liabilities</b>		<u>(2,343,344)</u>	<u>(2,190,688)</u>
<b>Capital and reserves</b>			
Called-up share capital	11	1	1
Profit and loss account	12	(2,343,345)	(2,190,689)
<b>Shareholder's funds</b>	13	<u>(2,343,344)</u>	<u>(2,190,688)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These accounts were approved and signed by the director and authorised for issue on 25 September 2014

C M Salmon

Director



The notes on pages 8 to 11 form part of these financial statements.

**PROJECT CIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

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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 applicable accounting standards.

Under section 398 of the Companies Act 2006 the company is exempt from preparing consolidated financial statements because the group is small. 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**

Up until 22nd December 2011 Project CIC Limited (the 'Company') along with twenty one other companies, together referred to as 'The Pritchard Group' were funded under a Facility Agreement (the 'Facility') by Lloyds TSB Bank plc ('LTSB'). On 22nd December 2011 LTSB assigned to LSREF 11 Royal Investments Limited, ('LSREF') all claims and other rights and interests that they had against The Pritchard Group.

Under the terms of the Facility all companies within The Pritchard Group were jointly and severally liable for all amounts outstanding from time to time.

Further to a demand for repayment of all amounts outstanding under the Facility six of the twenty two companies were put into administration on 24th April 2012; the Company was not one of them.

Since their appointment, the administrators KPMG LLP have worked with LSREF and their Agents and the management team to realise the value in the Pritchard Group in a manner which is in the best interests of all creditors. They have also allowed the companies not in administration to use their rental income to pay their respective ordinary trade creditors and they have confirmed in writing on 22 June 2012 that it is their present intention for this to continue. The directors have had no indication that this support will not continue for the foreseeable future.

LSREF have also confirmed in writing on 17 September 2012 that it is their present intention to work with the directors and management to continue to realise the value in the Pritchard Group. The directors have had no indication that this support will not continue.

Taking into account the above the director has concluded that the going concern assumption is appropriate when preparing the accounts. The financial statements do not include any adjustments which would result from the basis of preparation being inappropriate.

**Cash flow statement**

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

**Fixed asset investments**

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

**PROJECT CIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**2. Operating loss**

Operating loss is stated after charging:

	2013 £	2012 £
Exceptional administrative expenses	152,656	634,167

During the year the director considered the carrying value of the investment in Impulse Property Developments Limited. As a result of this assessment they have impaired the investment by £150,000 (2012: £634,167). As a result, the balance of £2,656 (2012: £2,585) owed by Impulse Property Developments Limited was deemed irrecoverable and written off as a bad debt

**3. Auditors remuneration**

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

**4. Particulars of employees**

No salaries or wages have been paid to employees, including the director, during the year.

**5. Investments**

	<b>Group shares £</b>
<b>Cost</b>	
At 1 January 2013 and 31 December 2013	2,285,689
<b>Amounts written off</b>	
At 1 January 2013	2,135,689
Written off in year	150,000
At 31 December 2013	2,170,689
<b>Net book value</b>	
At 31 December 2013	-
At 31 December 2012	150,000

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

Name	Holding	%	Principal activity
Impulse Property Developments Limited	Ordinary shares	100	Development and selling of real estate

	2013 £	2012 £
<b>Aggregate capital and reserves</b>		
Impulse Property Developments Limited	(633,852)	149,668
<b>Profit and (loss) for the year</b>		
Impulse Property Developments Limited	(783,520)	(14,322)

**PROJECT CIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**6. Debtors**

	2013	2012
	£	£
Amounts owed by group undertakings	-	2,585
	<u>-</u>	<u>2,585</u>

**7. Creditors: Amounts falling due within one year**

	2013	2012
	£	£
Trade creditors	-	2,258
Amounts owed to group undertakings	2,348,257	2,345,998
Accruals and deferred income	25	-
	<u>2,348,282</u>	<u>2,348,256</u>

**8. Contingencies**

Pritchard Construction Limited, Pritchard & Associates Limited, Pritchard Hotels Limited, Pritchard Estates (Cannock) Limited and Pritchard Group plc all of whom are in administration and their respective subsidiaries provide unlimited guarantees to the company's financiers, LSREF 11 Royal Investment Limited. The total indebtedness at 31st December 2013 which is secured over the assets of the companies was £94,253,248 (2012: £113,530,454).

**9. Controlling entity**

The parent undertaking of the company is Project AML Limited which is a wholly owned subsidiary of Chaseregen Limited.

The ultimate controlling entity is Pritchard Group plc (in administration).

**10. Related party transactions**

The directors have interests in a number of other companies.

During the period the no transactions took place with related parties

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

	2013	2012
	£	£
Pritchard Construction Limited (in administration)	(2,259)	(2,259)
Pritchard Developments (Midlands) Limited	(5,000)	(5,000)
Impulse Property Developments Limited	-	2,585
Chaseregen Limited	<u>(2,340,998)</u>	<u>(2,340,998)</u>

During the period, the balance of £2,656 (2012: £2,585) owed by Impulse Property Developments Limited was deemed irrecoverable and written off as a bad debt. As a result, the investment in Impulse Property Developments Limited was written down to a carrying book value of £nil (2012: £150,000)

**PROJECT CIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

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**11. Share capital**

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

	<b>2013</b>		<b>2012</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**12. Profit and loss account**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Balance brought forward	(2,190,689)	(1,556,522)
Loss for the financial year	<u>(152,656)</u>	<u>(634,167)</u>
Balance carried forward	<u>(2,343,345)</u>	<u>(2,190,689)</u>

**13. Reconciliation of movements in shareholder's funds**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(152,656)	(634,167)
Opening shareholder's deficit	<u>(2,190,688)</u>	<u>(1,556,521)</u>
Closing shareholder's deficit	<u>(2,343,344)</u>	<u>(2,190,688)</u>