

**REGISTERED NUMBER: 05417914 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012  
FOR  
PRIME PUBLIC PARTNERSHIPS LIMITED**



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for the Year Ended 31 December 2012**

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**PRIME PUBLIC PARTNERSHIPS LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 31 December 2012**

**DIRECTORS:**

R Laing  
R G E Williams  
L Chumbley  
J E Keyte

**SECRETARY:**

R G E Williams

**REGISTERED OFFICE:**

5 The Triangle  
Wildwood Drive  
Worcester  
Worcestershire  
WR5 2QX

**REGISTERED NUMBER:**

05417914 (England and Wales)

**AUDITORS:**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham  
West Midlands  
B3 2DT

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2012**

The directors present their report with the financial statements of the company for the year ended 31 December 2012

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of property development and investment

**REVIEW OF BUSINESS**

As part of the Prime group (the group, headed by Prime (UK) Holdings Plc)'s investment business, the company holds a portfolio of 56 investment properties, including Phase 2 of 1 property under the course of construction which is due for completion in 2013

2012 saw an increase in the value of the investment properties, which is reflected in the net asset value reported in the financial statements. Pre tax profits also rose following new properties becoming operational and following rent reviews, both of which resulted in additional income.

The majority of the properties are leased to NHS backed tenants in the primary healthcare and social care sector on long term leases.

The risks and uncertainties of the business relate to tenant default on rental payments. The risk of tenant default is considered to be low.

The company performs to key performance indicators as set by the parent company of the group, which are disclosed in the consolidated financial statements of that company.

The directors anticipate the current level of activity to continue in the year to 31 December 2013.

**DIVIDENDS**

Final dividends of £1 per share were paid on 23 December 2012 (2011 - £0.633).

The total distribution of dividends for the year ended 31 December 2012 was £1,501,000 (2011 - £949,998).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report.

R Laing  
R G E Williams  
L Chumbley  
J E Keyte

Directors were not remunerated by Prime Public Partnerships Limited, but by their employing company within the group.

**COMPANY'S POLICY ON PAYMENT OF CREDITORS**

The company's policy regarding the payment of creditors is to pay invoices when they fall due.

The ratio of all amounts owed to trade creditors at the year end to total purchases during the year is 189 days, however there is one invoice in trade creditors for £438,724 which required drawdown on external funds before payment could be made. Therefore taking this into account, the ratio is 49 days (2011 - 76 days).

**FINANCIAL RISK MANAGEMENT**

The company's financial risk management objective is broadly to seek to make neither a profit nor a loss from exposure to interest rate risk. Its policy is to finance working capital through retained earnings and through borrowings at prevailing market interest rates. Its policy is to finance fixed assets through fixed rate borrowings for a term expected to match the term of the first lease taken out on the property.

The company's exposure to price risk of financial instruments is minimal. As the counterparty to all financial instruments are its bankers and well known established firms of mortgage lenders, it is also exposed to minimal credit risk. Liquidity risk is minimal due to the long term nature of the debt.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2012**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF:**



R G E Williams - Director

Date 26 MARCH 2013

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRIME PUBLIC PARTNERSHIPS LIMITED**

We have audited the financial statements of Prime Public Partnerships Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. 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).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, 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.

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.

### **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. In addition, we read all the financial and non-financial information in the Report of the Directors 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 2012 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.

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

In our opinion the information given in the Report of the Directors 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.



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

Date 26 March 2013

**PROFIT AND LOSS ACCOUNT  
for the Year Ended 31 December 2012**

	Notes	31 12 12 £	31 12 11 £
<b>TURNOVER</b>		13,866,856	14,088,054
Cost of sales		-	585,000
<b>GROSS PROFIT</b>		13,866,856	13,503,054
Administrative expenses		1,146,281	1,255,900
<b>OPERATING PROFIT</b>	3	12,720,575	12,247,154
Interest receivable and similar income		46,266	15,796
		12,766,841	12,262,950
Interest payable and similar charges	4	10,269,598	10,018,357
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,497,243	2,244,593
Tax on profit on ordinary activities	5	(70,383)	395,295
<b>PROFIT FOR THE FINANCIAL YEAR</b>		2,567,626	1,849,298

**CONTINUING OPERATIONS**

None of the companies activities were acquired or discontinued during the year

**PRIME PUBLIC PARTNERSHIPS LIMITED (REGISTERED NUMBER: 05417914)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
for the Year Ended 31 December 2012**

	31 12 12 £	31 12 11 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	2,567,626	1,849,298
Revaluation in the year (Note 8)	5,179,780	5,568,487
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>7,747,406</u>	<u>7,417,785</u>

The notes form part of these financial statements



## BALANCE SHEET

31 December 2012

	Notes	31 12 12 £	£	31 12 11 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		4,128,750		4,220,500
Investments	8		220,656,272		210,456,518
			<u>224,785,022</u>		<u>214,677,018</u>
<b>CURRENT ASSETS</b>					
Debtors	9	4,378,585		8,155,024	
Cash at bank		<u>1,452,590</u>		<u>2,779,978</u>	
		5,831,175		10,935,002	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<u>7,204,506</u>		<u>6,838,320</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(1,373,331)</u>		<u>4,096,682</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			223,411,691		218,773,700
<b>CREDITORS</b>					
Amounts falling due after more than one year	11		(181,211,369)		(182,749,401)
<b>PROVISIONS FOR LIABILITIES</b>			14	(980,523)	(1,050,906)
<b>NET ASSETS</b>			<u>41,219,799</u>		<u>34,973,393</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		1,501,000		1,501,000
Revaluation reserve	16		37,570,605		32,390,825
Profit and loss account	16		<u>2,148,194</u>		<u>1,081,568</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>41,219,799</u>		<u>34,973,393</u>

The financial statements were approved and authorised for issue by the Board of Directors on 26 MARCH 2013 and were signed on its behalf by



R Laing - Director

NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 December 2012

1 ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with the Companies Act 2006, applicable accounting standards in the United Kingdom and on a going concern basis

**Turnover**

Turnover represents revenue recognised by the company in respect of rental income falling due during the year, excluding value added tax. Rental income is recognised in the period to which it relates, except in the case of rent reviews which are recognised once they have been agreed with the tenant

The whole of the turnover is attributable to one class of business and arose in the United Kingdom

**Tangible fixed assets**

Tangible fixed assets represent the cost of the group's long leasehold premises in Worcester. Depreciation is provided on this building at 2% per annum on a straight line basis (to recognise the building's anticipated economic life of 50 years)

**Deferred tax**

As required by Financial Reporting Standard Number 19 "Deferred Tax", full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which the standard specifies that deferred tax should not be recognised. Deferred assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are discounted at the appropriate Government bond rate over the expected life of the property

**Investment properties**

Fixed Asset Investments represent both properties presently under the course of construction and completed investment properties

Properties presently under the course of construction are valued at cost. Finance costs directly attributable to the construction of properties are capitalised as part of the cost of those properties

Completed investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No 19 (SSAP 19) and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company

Investment properties are revalued annually by an independent surveyor

**Mortgages held on deposit**

Mortgages held on deposit represent mortgages that are drawn down from the lender and are held externally on deposit until funds are required to pay construction costs. Mortgages held on deposit are classified as current assets

**Cashflow exemption**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publically available, is exempt from the requirement to draw up a cashflow statement in accordance with FRS1

**Capitalised refinance costs**

Capitalised refinance costs have been netted off against mortgage balances and have been amortised over the life of the related loans of 25 years

**Deferred income**

Deferred income relates to lease premiums received which have been deferred over the duration of the lease and released to the profit and loss on a straight line basis

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2012

2 STAFF COSTS

There were no employees for the year ended 31 December 2012 nor for the year ended 31 December 2011

3 OPERATING PROFIT

The operating profit is stated after charging

	31 12 12	31 12 11
	£	£
Depreciation - owned assets	91,750	91,750
Auditors' remuneration	6,200	6,000
	<u>          </u>	<u>          </u>
Directors' remuneration	-	-
	<u>          </u>	<u>          </u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 12 12	31 12 11
	£	£
Refinance costs charged	64,136	67,724
Mortgage interest	10,659,073	10,710,465
Interest capitalised	(453,611)	(759,832)
	<u>          </u>	<u>          </u>
	<u>10,269,598</u>	<u>10,018,357</u>

5 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

	31 12 12	31 12 11
	£	£
Deferred tax	(70,383)	395,295
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities	<u>(70,383)</u>	<u>395,295</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2012**

**5 TAXATION - continued****Factors affecting the tax (credit)/charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	31 12 12 £	31 12 11 £
Profit on ordinary activities before tax	<u>2,497,243</u>	<u>2,244,593</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.500% (2011 - 26.500%)	611,825	594,817
Effects of		
Expenses not deductible for tax purposes	3,922	4,775
Capital allowances in excess of depreciation	(917,587)	(287,447)
Capitalised tax charge	(111,135)	(201,355)
Group relief surrendered/utilised	<u>412,975</u>	<u>(110,790)</u>
Current tax (credit)/charge	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

The Finance Act 2011, which was enacted on 19 July 2011, included legislation reducing the main rate of corporation tax from 27% to 26% from 1 April 2011 and also reducing the main rate of corporation tax from 26 per cent to 25% from 1 April 2012. Further reductions to the main rate were proposed to reduce the rate by 1 per cent per annum to 23% by 1 April 2014.

In addition to the changes in rates of Corporation tax disclosed above further changes to the UK Corporation tax system were announced in the Budget statement 2013. This includes a further reduction to the main rate to reduce the rate to 20% from 1 April 2015. These further changes had not been substantially enacted at the balance sheet date and are therefore not included in these Financial Statements.

Based on the enacted changes to the main rate of corporation tax at the reporting date, current tax has been calculated at a blended rate of 24.5%, and closing balances on deferred taxes have been measured at 23% (2011 - 25%).

**6 DIVIDENDS**

	31 12 12 £	31 12 11 £
Ordinary shares of £1 each		
Final	<u>1,501,000</u>	<u>949,998</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2012**

**7 TANGIBLE FIXED ASSETS**

	Long leasehold £
<b>COST</b>	
At 1 January 2012	
and 31 December 2012	<u>4,587,500</u>
<b>DEPRECIATION</b>	
At 1 January 2012	367,000
Charge for year	<u>91,750</u>
At 31 December 2012	<u>458,750</u>
<b>NET BOOK VALUE</b>	
At 31 December 2012	<u>4,128,750</u>
At 31 December 2011	<u>4,220,500</u>

**8 FIXED ASSET INVESTMENTS**

	Properties under the course of construction £	Investment properties £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2012	10,367,718	200,088,800	210,456,518
Additions	5,019,974	-	5,019,974
Transfers	(14,992,920)	14,992,920	-
Revaluations	-	5,179,780	5,179,780
At 31 December 2012	<u>394,772</u>	<u>220,261,500</u>	<u>220,656,272</u>
<b>NET BOOK VALUE</b>			
At 31 December 2012	<u>394,772</u>	<u>220,261,500</u>	<u>220,656,272</u>
At 31 December 2011	<u>10,367,718</u>	<u>200,088,800</u>	<u>210,456,518</u>

Cost or valuation at 31 December 2012 is represented by

	Properties under the course of construction £	Investment properties £	Totals £
Valuation in 2005	-	2,374,786	2,374,786
Valuation in 2006	-	15,817,902	15,817,902
Valuation in 2007	-	2,601,000	2,601,000
Valuation in 2008	-	(4,854,600)	(4,854,600)
Valuation in 2009	-	3,328,750	3,328,750
Valuation in 2010	-	7,554,500	7,554,500
Valuation in 2011	-	5,568,487	5,568,487
Valuation in 2012	-	5,179,780	5,179,780
Cost	<u>394,772</u>	<u>182,690,895</u>	<u>183,085,667</u>
	<u>394,772</u>	<u>220,261,500</u>	<u>220,656,272</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2012**

**8 FIXED ASSET INVESTMENTS - continued**

Fixed asset investments represent properties under the course of construction, which are valued at cost and investment properties

The amount of finance costs capitalised within the cost of properties under the course of construction during the year was £453,611 (2011 - £759,832). The balance of capitalised finance costs included in properties under the course of construction at 31 December 2012 is £19,996 (2011 - £1,760,842)

Included in the cost of investment properties at 31 December 2012 is £4,998,545 (2011 - £4,564,930) of finance costs capitalised since the company's incorporation

All investment properties were revalued during the year

**Statement from the Valuers:**

We refer to our Valuation Report dated 18 February 2013 (the "Valuation Report")

We confirm that all properties were valued as at 31 December 2012, by qualified professional valuers working for the company of GVA Property Consultants acting in the capacity of External Valuers. All such valuers are Chartered Surveyors, being members of the Royal Institution of Chartered Surveyors

All properties were valued on the basis of Market Value subject to the following assumption

For investment property that the property would be sold subject to the existing leases

The Market Value of each of the properties was primarily derived using comparable recent market transactions on arm's length terms. All valuations were carried out in accordance with the RICS Valuation Professional Standards, Global and UK edition, March 2012

**9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 12	31 12 11
	£	£
Trade debtors	2,592,167	2,456,916
Other debtors	1,590	10,470
Mortgages held on deposit	1,512,668	5,314,034
VAT	-	86,324
Prepayments and accrued income	272,160	287,280
	<u>4,378,585</u>	<u>8,155,024</u>

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 12	31 12 11
	£	£
Other loans (see note 12)	1,538,433	1,295,109
Trade creditors	592,412	383,791
Amounts owed to group undertakings	844,060	896,969
VAT	661,841	-
Other creditors	19,711	106,655
Deferred income	3,279,368	3,190,785
Accrued expenses	268,681	965,011
	<u>7,204,506</u>	<u>6,838,320</u>

Balances with group undertakings are payable on demand and attract no interest

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2012**

**11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31 12 12	31 12 11
	£	£
Other loans (see note 12)	<u>181,211,369</u>	<u>182,749,401</u>

**12 LOANS**

An analysis of the maturity of loans is given below

	31 12 12	31 12 11
	£	£
Amounts falling due within one year or on demand		
Mortgages	1,598,981	1,359,245
Refinance costs	<u>(60,548)</u>	<u>(64,136)</u>
	<u>1,538,433</u>	<u>1,295,109</u>
Amounts falling due between one and two years		
Mortgages - 1-2 years	2,051,073	1,598,945
Refinance costs - 1-2 years	<u>(56,960)</u>	<u>(60,548)</u>
	<u>1,994,113</u>	<u>1,538,397</u>
Amounts falling due between two and five years		
Mortgages - 2-5 years	8,471,154	7,247,989
Refinance costs - 2-5 years	<u>(149,352)</u>	<u>(160,116)</u>
	<u>8,321,802</u>	<u>7,087,873</u>
Amounts falling due in more than five years		
Repayable by instalments		
Mortgages - more than 5 years	171,170,188	174,444,062
Refinance costs - more than 5 years	<u>(274,734)</u>	<u>(320,931)</u>
	<u>170,895,454</u>	<u>174,123,131</u>

Mortgages payable after more than five years are repayable in instalments on a quarterly basis throughout the year. Interest is payable at fixed rates, varying from 5.00% to 6.01% per annum.

**13 SECURED DEBTS**

The following secured debts are included within creditors

	31 12 12	31 12 11
	£	£
Mortgages	<u>183,291,395</u>	<u>184,650,241</u>

The mortgages are secured by fixed and floating charges over the company's investment properties and other assets.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2012**

**14 PROVISIONS FOR LIABILITIES**

	31 12 12 £	31 12 11 £
Deferred tax	<u>980,523</u>	<u>1,050,906</u>
		Deferred tax £
Balance at 1 January 2012		1,050,906
Accelerated capital allowances		30,400
Capitalised interest		(16,711)
Tax rate change to prior year		(84,072)
Balance at 31 December 2012		<u>980,523</u>

The liability of £980,523 is discounted from £6,851,352 using a rate of 3.35% over 59 years

The deferred tax liability of £980,523 is represented by a deferred tax liability of £757,372 and £223,151 relating to accelerated capital allowances and capitalised interest respectively

**15 CALLED UP SHARE CAPITAL**

Number	Class	Nominal value £1	31 12 12 £	31 12 11 £
1,501,000	Ordinary		<u>1,501,000</u>	<u>1,501,000</u>

**16 RESERVES**

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 January 2012	1,081,568	32,390,825	33,472,393
Profit for the year	2,567,626		2,567,626
Dividends	(1,501,000)		(1,501,000)
Revaluation in the year	-	5,179,780	5,179,780
At 31 December 2012	<u>2,148,194</u>	<u>37,570,605</u>	<u>39,718,799</u>

**17 ULTIMATE PARENT COMPANY**

At the year end the immediate parent company is Prime (UK) Investments Limited. The largest and smallest group of undertakings for which group financial statements are drawn up is that headed by Prime (UK) Holdings Plc, the ultimate parent company. Group financial statements are available from Companies House, Crown Way, Cardiff CF14 3UZ.

On 31 January 2013, following a group reconstruction, the company was sold to PPP Holdings Limited and ceased being part of the Prime (UK) Holdings Plc group.

**18 CAPITAL COMMITMENTS**

The company had capital commitments at the year end of £280,001 (2011 - £3,609,700) representing the building contract sum remaining on one (2011 - one) property under the course of construction.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2012**

**19 RELATED PARTY DISCLOSURES**

In accordance with FRS 8 Related party disclosures, transactions and individual balances with group companies are not disclosed as 100% of their voting rights are held within the group

Prime (UK) Investments Limited, the company's immediate parent company and Infrastructure Investments Holdings Limited each own 50% of the share capital of Prime LIFT Investments Limited, which in turn has a 100% interest in BaSS LIFT Holdings Limited and a 60% interest in Prima 200 Limited

Birmingham and Solihull Local Improvement Finance Trust Limited (BaS LIFT) is a 60% subsidiary of BaSS LIFT Holdings Limited

BaS LIFT has a 100% interest in Birmingham and Solihull LIFT (Fundco 1) Limited, Birmingham and Solihull LIFT (Fundco 2) Limited, Birmingham and Solihull LIFT (Fundco 3) Limited

Prima 200 Limited has a 100% interest in Prima 200 Fundco No 1 Limited, Prima 200 Fundco No 2 Limited and Prima 200 Fundco No 3 Limited.

Prime (UK) Investments Limited and The Vitality Partnership each have a 50% interest in Vitality Property Limited

At the year end there were no balances outstanding on the sales made to related parties as detailed below

Company name	Nature	2012	2011
Sales to / (Purchases from) related parties during 2012		£	£
BaS LIFT (Fundco No 1) Limited	Disbursements & Services	4,929	-
BaS LIFT (Fundco No 2) Limited	Disbursements & Services	931	-
BaS LIFT (Fundco No 3) Limited	Disbursements & Services	645	-
Prima 200 Fundco No 1 Limited	Disbursements & Services	1,585	-
Prima 200 Fundco No 2 Limited	Disbursements & Services	607	-
Prima 200 Fundco No 3 Limited	Disbursements & Services	1,828	-
Vitality Property Limited	Disbursements & Services	114	-

The sales and purchase transactions with related parties are all stated inclusive of VAT

**20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 12 12	31 12 11
	£	£
Profit for the financial year	2,567,626	1,849,298
Dividends	(1,501,000)	(949,998)
	<hr/> 1,066,626	<hr/> 899,300
Other recognised gains and losses relating to the year (net)	<hr/> 5,179,780	<hr/> 5,568,487
<b>Net addition to shareholders' funds</b>	<hr/> 6,246,406	<hr/> 6,467,787
Opening shareholders' funds	<hr/> 34,973,393	<hr/> 28,505,606
<b>Closing shareholders' funds</b>	<hr/> <hr/> 41,219,799	<hr/> <hr/> 34,973,393