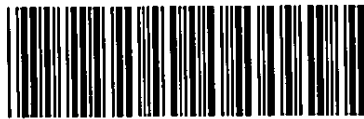


**REGISTERED NUMBER: 5099525 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010  
FOR  
PRIMA 200 FUNDCO NO 1 LIMITED**

**WEDNESDAY**



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**COMPANIES HOUSE**

**CONTENTS OF THE FINANCIAL STATEMENTS  
for the Year Ended 31 December 2010**

|   | <b>Page</b> |
|---|-------------|
| <b>Company Information</b>                            | <b>1</b>    |
| <b>Report of the Directors</b>                        | <b>2</b>    |
| <b>Report of the Independent Auditors</b>             | <b>4</b>    |
| <b>Profit and Loss Account</b>                        | <b>5</b>    |
| <b>Statement of Total Recognised Gains and Losses</b> | <b>6</b>    |
| <b>Balance Sheet</b>                                  | <b>7</b>    |
| <b>Notes to the Financial Statements</b>              | <b>8</b>    |

**PRIMA 200 FUND CO NO 1 LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 31 December 2010**

**DIRECTORS:**

R Laing  
R G E Williams  
A C Boyle  
J E Keyte  
A J Matthews  
M Dyer  
Dr S A Raper  
Dr A Pursey

**SECRETARY:**

R G E Williams

**REGISTERED OFFICE:**

5 The Triangle  
Wildwood Drive  
Worcester  
Worcestershire  
WR5 2QX

**REGISTERED NUMBER:**

5099525 (England and Wales)

**AUDITORS:**

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
West Midlands  
B3 2DT

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2010**

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

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of property investment and development in the North Staffordshire and Stoke on Trent areas as part of the government sponsored Local Improvement Finance Trust (LIFT) initiative

**REVIEW OF BUSINESS**

The company invests in primary healthcare infrastructure in the North Staffordshire and Stoke on Trent areas

The principal risks and uncertainties of the business relate to tenant default on rental payments. As tenants are predominantly government backed, the risk of tenant default is low

The company performs to key performance indicators as set by its parent company

The company has a portfolio of five operational investment properties for which a full year of rental income was received during the year

On 30 April 2010 loan facilities maturing within one year were renewed for a period of five years. The loan balance was partially repaid with a new facility of £16,750,217

The directors anticipate the current level of activity to continue in the year to 31 December 2011

It is anticipated that future developments will be owned by related Fundcos and therefore no further properties will be added to the portfolio

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2010 (2009 - £Nil)

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2010 to the date of this report

R Laing  
R G E Williams  
A C Boyle  
J E Keyte

Other changes in directors holding office are as follows

J R Taylor - resigned 31 October 2010  
M Day - resigned 31 October 2010  
J S Rowley - resigned 31 March 2010  
P Wharton - resigned 30 June 2010  
A J Matthews - appointed 1 April 2010  
M Dyer - appointed 28 June 2010  
Dr S A Raper - appointed 28 September 2010

Dr A Pursey was appointed as a director after 31 December 2010 but prior to the date of this report

Directors were not remunerated by Prima 200 Fundco No 1 Limited, but by their respective employing entities

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2010**

**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 the term of the first lease of each of the assets.

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 and liquidity risk in respect of these instruments.

The company's project revenues and most of its costs were linked to inflation at the inception of projects, resulting in the company being largely but not wholly insensitive to inflation.

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.

**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 or she ought to have taken as a director in order to make himself or herself 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 25 MARCH 2011

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
PRIMA 200 FUNDCO NO 1 LIMITED**

We have audited the financial statements of Prima 200 Fundco No 1 Limited for the year ended 31 December 2010 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 Directors' Responsibilities Statement 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.

**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, 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 30 March 2011

**PROFIT AND LOSS ACCOUNT**  
for the Year Ended 31 December 2010

|  | Notes | 31 12 10<br>£    | 31 12 09<br>£    |
|--|-------|------------------|------------------|
| <b>TURNOVER</b>  |       | 1,770,854        | 1,729,313        |
| Administrative expenses                                  |       | <u>252,623</u>   | <u>260,288</u>   |
|  |       | 1,518,231        | 1,469,025        |
| Other operating income                                   |       | <u>3,088</u>     | <u>2,365</u>     |
| <b>OPERATING PROFIT</b>                                  | 3     | 1,521,319        | 1,471,390        |
| Interest payable and similar charges                     | 4     | <u>1,397,879</u> | <u>1,136,668</u> |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |       | 123,440          | 334,722          |
| Tax on profit on ordinary activities                     | 5     | <u>56,026</u>    | <u>235,404</u>   |
| <b>PROFIT FOR THE FINANCIAL YEAR<br/>AFTER TAXATION</b>  |       | <u>67,414</u>    | <u>99,318</u>    |

**CONTINUING ACTIVITIES**

None of the company's activities were acquired or discontinued during the current year or previous year

**PRIMA 200 FUNDCO NO 1 LIMITED (REGISTERED NUMBER: 5099525)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**for the Year Ended 31 December 2010**

|  | 31 12 10<br>£    | 31 12 09<br>£  |
|--|------------------|----------------|
| <b>PROFIT FOR THE FINANCIAL YEAR</b>     | 67,414           | 99,318         |
| Revaluation in the year (Note 6)         | <u>2,583,000</u> | <u>170,000</u> |
| <b>TOTAL RECOGNISED GAINS AND LOSSES</b> |                  |                |
| <b>RELATING TO THE YEAR</b>              | <u>2,650,414</u> | <u>269,318</u> |

The notes form part of these financial statements



**PRIMA 200 FUNDCO NO 1 LIMITED (REGISTERED NUMBER: 5099525)**

**BALANCE SHEET  
31 December 2010**

|  | Notes | 31 12 10<br>£           | 31 12 09<br>£           |
|--|-------|-------------------------|-------------------------|
| <b>FIXED ASSETS</b>                          |       |                         |                         |
| Investments                                  | 6     | 23,143,000              | 20,560,000              |
| <b>CURRENT ASSETS</b>                        |       |                         |                         |
| Debtors                                      | 7     | 22,135                  | 233,405                 |
| Cash at bank                                 |       | <u>1,089,502</u>        | <u>2,575,595</u>        |
|  |       | 1,111,637               | 2,809,000               |
| <b>CREDITORS</b>                             |       |                         |                         |
| Amounts falling due within one year          | 8     | <u>417,298</u>          | <u>18,588,427</u>       |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>      |       | <u>694,339</u>          | <u>(15,779,427)</u>     |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | 23,837,339              | 4,780,573               |
| <b>CREDITORS</b>                             |       |                         |                         |
| Amounts falling due after more than one year | 9     | (18,471,218)            | (2,120,892)             |
| <b>PROVISIONS FOR LIABILITIES</b>            | 12    | <u>(291,430)</u>        | <u>(235,404)</u>        |
| <b>NET ASSETS</b>                            |       | <u><u>5,074,691</u></u> | <u><u>2,424,277</u></u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                         |                         |
| Called up share capital                      | 13    | 1                       | 1                       |
| Revaluation reserve                          | 14    | 4,422,420               | 1,839,420               |
| Profit and loss account                      | 14    | <u>652,270</u>          | <u>584,856</u>          |
| <b>SHAREHOLDERS' FUNDS</b>                   | 17    | <u><u>5,074,691</u></u> | <u><u>2,424,277</u></u> |

The financial statements were approved and authorised for issue by the Board of Directors on ~~28 March 2011~~ and were signed on its behalf by

  
R Laing - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
for the Year Ended 31 December 2010

**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 and on a going concern basis

**Cashflow exemption**

The company, being a small company in accordance with section 384 of the Companies Act 2006, is exempt from the requirement to draw up a cashflow statement

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

**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 not discounted.

**Fixed Asset Investments**

Fixed Asset Investments represent completed investment 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.

**Debt issue costs**

Debt issue costs are netted off the relevant debt balance and are amortised over the life of the loan as part of the interest charge.

**Interest**

Interest on junior loans from the parent company is charged on a quarterly basis and accrued for on the balance sheet. Interest payments are made to the parent company on a semi-annual basis.

**2 STAFF COSTS**

There were no employees for the year ended 31 December 2010 nor for the year ended 31 December 2009.

**3 OPERATING PROFIT**

The operating profit is stated after charging

|                         | 31 12 10     | 31 12 09     |
|-------------------------|--------------|--------------|
|                         | £            | £            |
| Auditors' remuneration  | <u>3,750</u> | <u>3,600</u> |
| Directors' remuneration | <u>-</u>     | <u>-</u>     |

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2010**

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

|  | 31 12 10         | 31 12 09         |
|--|------------------|------------------|
|  | £                | £                |
| Bank interest                            | 6,052            | 4,645            |
| Parent company loan interest             | 247,317          | 250,428          |
| Loan interest                            | 1,050,583        | 881,595          |
| Capitalised refinance costs amortisation | 93,927           | -                |
|  | <u>1,397,879</u> | <u>1,136,668</u> |

**5. TAXATION****Analysis of the tax charge**

The tax charge on the profit ordinary activities for the year was as follows

|                                      | 31 12 10      | 31 12 09       |
|--------------------------------------|---------------|----------------|
|                                      | £             | £              |
| Deferred tax                         | <u>56,026</u> | <u>235,404</u> |
| Tax on profit on ordinary activities | <u>56,026</u> | <u>235,404</u> |

**Factors affecting the tax 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 10       | 31 12 09       |
|--|----------------|----------------|
|  | £              | £              |
| Profit on ordinary activities before tax   | <u>123,440</u> | <u>334,722</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 – 28%) | 34,563         | 93,722         |
| Effects of   |                |                |
| Group relief surrendered   | -              | 5,659          |
| Expenses not deductible for tax purposes   | -              | 4,039          |
| Losses brought forward utilised  | (237,736)      | (373,403)      |
| Losses carried forward   | <u>203,163</u> | <u>269,983</u> |
| Current tax charge   | <u>-</u>       | <u>-</u>       |

**Factors that may affect future tax charges**

During the year, as a result of the change in the UK main corporation tax rate from 28% to 27% that was substantively enacted on 20 July 2010 and that will be effective from 1 April 2011, the relevant deferred tax balances have been re-measured

Further reductions to the UK corporation tax rate were announced in the June 2010 Budget. These changes, which were expected to be enacted separately each year, proposed reducing the rate by 1% per annum to 24% by 1 April 2014. These reductions have been amended by Budget 2011 on 23 March 2011. An additional reduction of 1% is proposed for the Financial Year beginning 1 April 2011 and rates will be reduced by three further one per cent cuts to 23% by the Financial Year beginning 1 April 2014. These changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2010**

**6 FIXED ASSET INVESTMENTS**

|                          | Investment<br>properties<br>£ |
|--------------------------|-------------------------------|
| <b>COST OR VALUATION</b> |                               |
| At 1 January 2010        | 20,560,000                    |
| Revaluations             | <u>2,583,000</u>              |
| At 31 December 2010      | <u>23,143,000</u>             |
| <b>NET BOOK VALUE</b>    |                               |
| At 31 December 2010      | <u>23,143,000</u>             |
| At 31 December 2009      | <u>20,560,000</u>             |

Cost or valuation at 31 December 2010 is represented by

|                   | Investment<br>properties<br>£ |
|-------------------|-------------------------------|
| Valuation in 2006 | 835,609                       |
| Valuation in 2007 | 959,244                       |
| Valuation in 2008 | (125,433)                     |
| Valuation in 2009 | 170,000                       |
| Valuation in 2010 | 2,583,000                     |
| Cost              | <u>18,720,580</u>             |
|                   | <u>23,143,000</u>             |

Fixed asset investments represent investment properties

Included in the cost of investment properties at 31 December 2010 is £1,333,582 (2009 - £1,333,582) of capitalised finance costs

All investment properties were revalued during the year

**Statement from the Valuers:**

We refer to our Valuation Report dated 24 January 2011 (the "Valuation Report")

We confirm that all properties were valued as at 31 December 2010, 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 Standards, sixth edition

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2010**

|          |   |                 |                 |
|----------|---|-----------------|-----------------|
| <b>7</b> | <b>DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b> | <b>31 12 10</b> | <b>31 12 09</b> |
|          |   | £               | £               |
|          | Trade debtors                                       | 21,531          | 8,029           |
|          | Prepayments and accrued income                      | 421             | 225,376         |
|          | Other debtors                                       | 183             | -               |
|          |   | <u>22,135</u>   | <u>233,405</u>  |

|          |   |                 |                   |
|----------|---|-----------------|-------------------|
| <b>8</b> | <b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b> | <b>31 12 10</b> | <b>31 12 09</b>   |
|          |   | £               | £                 |
|          | Bank loans and overdrafts (see note 10)               | -               | 18,014,937        |
|          | Trade creditors                                       | 18,486          | 458,835           |
|          | VAT   | 68,391          | 18,248            |
|          | Other creditors                                       | 10,642          | 1,655             |
|          | Accrued expenses                                      | 319,779         | 94,752            |
|          |   | <u>417,298</u>  | <u>18,588,427</u> |

|          |  |                   |                  |
|----------|--|-------------------|------------------|
| <b>9</b> | <b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> | <b>31 12 10</b>   | <b>31 12 09</b>  |
|          |  | £                 | £                |
|          | Bank loans (see note 10)                                       | 16,350,053        | -                |
|          | Amounts owed to parent undertaking                             | 2,121,165         | 2,120,892        |
|          |  | <u>18,471,218</u> | <u>2,120,892</u> |

**10 LOANS**

An analysis of the maturity of loans is given below

|  |                   |                 |
|--|-------------------|-----------------|
|  | <b>31 12 10</b>   | <b>31 12 09</b> |
|  | £                 | £               |
| Amounts falling due within one year or on demand |                   |                 |
| Bank loans                                       | -                 | 18,014,937      |
| Amounts falling due between two and five years   |                   |                 |
| Bank loans - 2-5 years                           | 16,674,201        | -               |
| Refinance costs - 2-5 years                      | (324,148)         | -               |
|  | <u>16,350,053</u> | <u>-</u>        |

On 30 April 2010 loan facilities maturing within one year were renewed for a period of five years. The loan balance was partially repaid with a new facility of £16,750,217.

Interest rate swaps are held on all loans and RPI swaps are held where relevant.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 December 2010

**11 SECURED DEBTS**

The following secured debts are included within creditors

|            | 31 12 10          | 31 12 09          |
|------------|-------------------|-------------------|
|            | £                 | £                 |
| Bank loans | <u>16,674,201</u> | <u>18,014,937</u> |

The loans are secured by a first charge over all the company's properties

**12 PROVISIONS FOR LIABILITIES**

|                               | 31 12 10       | 31 12 09       |
|-------------------------------|----------------|----------------|
|                               | £              | £              |
| Deferred tax                  | <u>291,430</u> | <u>235,404</u> |
|                               |                | Deferred tax   |
|                               |                | £              |
| Balance at 1 January 2010     |                | 235,404        |
| Tax rate change to prior year |                | (8,407)        |
| Losses utilised               |                | <u>64,433</u>  |
| Balance at 31 December 2010   |                | <u>291,430</u> |

The deferred tax liability relates to accelerated capital allowances, capitalised interest and utilised losses

**13 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid

| Number | Class    | Nominal value | 31 12 10 | 31 12 09 |
|--------|----------|---------------|----------|----------|
|        |          | £1            | £        | £        |
| 1      | Ordinary |               | <u>1</u> | <u>1</u> |

**14 RESERVES**

|                                      | Profit and loss account | Revaluation reserve | Totals           |
|--------------------------------------|-------------------------|---------------------|------------------|
|                                      | £                       | £                   | £                |
| At 1 January 2010                    | 584,856                 | 1,839,420           | 2,424,276        |
| Profit for the year                  | 67,414                  |                     | 67,414           |
| Revaluation in the year (see note 7) | <u>-</u>                | <u>2,583,000</u>    | <u>2,583,000</u> |
| At 31 December 2010                  | <u>652,270</u>          | <u>4,422,420</u>    | <u>5,074,690</u> |

**15 ULTIMATE PARENT COMPANY**

The immediate parent company is Prima 200 Limited Prime LIFT Investments Limited is the ultimate parent Company There is no ultimate controlling party

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 December 2010

**16 RELATED PARTY DISCLOSURES**

Barclays Bank Plc has an interest in Barclays European Infrastructure II Limited which is a 50% shareholder in Prime LIFT Investments Limited, the company's ultimate parent company

Prima 200 Limited is Prima 200 Fundco No 1 Limited's immediate parent company Interest of £247,317 (2009 - £250,428) was payable on the loan stock from Prima 200 Limited

North Staffordshire Primary Care Trust and Stoke-on-Trent Primary Care Trust each have a 10% interest in Prima 200 Limited

Prime (UK) Developments Limited and One Creative Environments Limited are both 100% subsidiaries of Prime Operations Limited, which is a 100% subsidiary of Prime Plc Prime (UK) investments Limited, which is also a 100% subsidiary of Prime Plc, has a 50% interest in Prime LIFT Investments Limited

| Company name  | Nature      | 2010         | 2009         |
|---|-------------|--------------|--------------|
| Loans to / (from) related parties at 31 December 2010 |             |              |              |
|   |             | £            | £            |
| Barclays Bank Plc                                     | Senior debt | (16,674,201) | (18,014,937) |
| Prima 200 Limited                                     | Loan stock  | (2,121,165)  | (2,120,892)  |

Other trading debtor / (creditor) balances at 31 December 2010

|  |        |       |
|--|--------|-------|
| North Staffordshire Primary Care Trust | 3,118  | 3,118 |
| Stoke-on-Trent Primary Care Trust      | 18,414 | 4,285 |
| Prima 200 Limited (sales)              | -      | -     |
| Prima 200 Limited (purchases)          | -      | -     |
| Prime (UK) Developments Limited        | -      | -     |
| One Creative Environments Limited      | -      | -     |

Sales to / (Purchases from) related parties during 2010

|  |                          |           |           |
|--|--------------------------|-----------|-----------|
| North Staffordshire Primary Care Trust | Rent & disbursements     | 554,762   | 562,797   |
| Stoke-on-Trent Primary Care Trust      | Rent & disbursements     | 1,628,642 | 1,439,432 |
| Prima 200 Limited                      | Services & disbursements | 21,392    | 24,357    |
| Prima 200 Limited                      | Services & disbursements | (29,200)  | (48,806)  |
| Prime (UK) Developments Limited        | Services & disbursements | (125,906) | (4,692)   |
| One Creative Environments Limited      | Services & disbursements | (1,961)   | -         |

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

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

|  |                  |                  |
|--|------------------|------------------|
|  | 31 12 10         | 31 12 09         |
|  | £                | £                |
| Profit for the financial year                                | 67,414           | 99,318           |
| Other recognised gains and losses relating to the year (net) | <u>2,583,000</u> | <u>170,000</u>   |
| Net addition to shareholders' funds                          | 2,650,414        | 269,318          |
| Opening shareholders' funds                                  | <u>2,424,277</u> | <u>2,154,959</u> |
| Closing shareholders' funds                                  | <u>5,074,691</u> | <u>2,424,277</u> |