

REGISTERED NUMBER: 07383007 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

FOR

PRIME (UK) HOLDINGS PLC

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PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)

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for the Year Ended 31 December 2020**

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PRIME (UK) HOLDINGS PLC

COMPANY INFORMATION
for the Year Ended 31 December 2020

DIRECTORS:

· R Laing
· R G E Williams
L Chumbley
J E Keyte
V Town
P J Holland

SECRETARY:

Prime Company Secretarial Services Limited

REGISTERED OFFICE:

5 The Triangle
Wildwood Drive
Worcester
Worcestershire
WR5 2QX

REGISTERED NUMBER:

07383007 (England and Wales)

INDEPENDENT AUDITORS :

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Chamberlain Square
Birmingham
B3 3AX

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)

**STRATEGIC REPORT
for the Year Ended 31 December 2020**

The directors present their strategic report for the year ended 31 December 2020.

REVIEW OF BUSINESS

The company receives dividends from its subsidiary and distributes dividends to its parent company Prime (GB) Holdings Limited in accordance with its dividend policy.

During the current financial year, in addition to the distributions made under its dividend policy, the company made an additional dividend in specie of £2,800,000 representing the Prime Plc Head Office property. The property was received as a dividend in specie from its subsidiary company and immediately transferred to Prime (GB) Holdings Limited as a dividend in specie. The company ended the year with net assets of £6,180,405 (2019 - £5,820,908).

Details of the company's subsidiary undertakings are contained in note 8 to the financial statements. In accordance with its accounting policy, the financial statements present information about the company as an individual undertaking and not about its group.

The company performs to Key Performance Indicators as set by the parent company of the group, Prime (GB) Holdings Limited, which are disclosed in the consolidated financial statements of that company.

PRINCIPAL RISKS AND UNCERTAINTIES

As the company acts primarily as a holding company, the principal risks and uncertainties for this business are considered to be low.

SECTION 172(1) STATEMENT

Under section 172(1) of the Companies Act 2006, the Board has a duty to act in good faith and in a way that would be most likely to promote the success of the Company for the benefit of its shareholder whilst having regard to matters set out in S172(1) (a-f) of the Act.

The company as an intermediate holding company has no employees, external customers or suppliers and as such the Directors primarily consider the interests of the sole member, and ultimate parent company, Prime (GB) Holdings Limited, with regard to performing their duties under S172(1). All Board decisions made during the year were made to promote the long term success of both the Company and its ultimate parent company and were in line with the strategic goals and objectives of the group.

The Board's principal decision during the year was to approve the payment of interim dividends to its immediate parent. The Board considered the long term consequences of making these distributions and considered on balance it was in the best interest of its stakeholders as a whole.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF:



.....
L Chumbley - Director

Date: 13 May 2021
.....

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2020**

The directors present their report with the audited financial statements of the company for the year ended 31 December 2020.

DIVIDENDS

Dividends for the year ended 31 December 2020 totalled £3,850,123 (2019 - £18,028,725) as shown in note 7 to the financial statements. These included a dividend in specie of £2,800,000 (2019- £Nil) in relation to the head office property, which was transferred from its subsidiary company and immediately transferred to its parent company.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

R Laing
R G E Williams
L Chumbley
J E Keyte
V Town
P J Holland

FINANCIAL RISK MANAGEMENT

Derivative financial instruments are not actively used as part of the Company's financial risk management. It is exposed to the usual credit risk and cash flow risk associated with providing services on credit and manages this through credit control procedures.

The Company's financial risk management objective is broadly to seek to make neither a profit or loss from exposure to interest rate risk. Its policy is to finance working capital through retained earnings.

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

Qualifying third party indemnity insurance was in place for all Directors during the year and continues to be in place as at the date of this report.

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 regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law).

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2020**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

The directors 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

In the case of each director in office at the date the Report of the Directors is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF:



.....
L Chumbley - Director

Date: 13 May 2021
.....

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRIME (UK) HOLDINGS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, Prime (UK) Holdings Plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Report of the Directors and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2020; the income statement, the statement of comprehensive income, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATING TO GOING CONCERN

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRIME (UK) HOLDINGS PLC

With respect to the Strategic Report and the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Report of the directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the period ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and the Report of the Directors.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to those laws and regulations that have a direct impact on the preparation of the financial statements such as the UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to ability for management to override controls and manipulate the financial statements through posting inappropriate journal entries to manipulate financial performance, management bias in accounting estimates and significant one-off or unusual transactions.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRIME (UK) HOLDINGS PLC**

Auditors' responsibilities for the audit of the financial statements (continued)

Audit procedures performed included:

- discussions with management and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- enquiry of management and those charged with governance around any actual and potential litigation and claims;
- enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business; and
- Reviewing minutes of meetings of those charged with governance.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

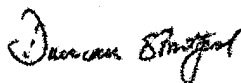
OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



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

Date: 17 May 2021

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)**INCOME STATEMENT
for the Year Ended 31 December 2020**

	Notes	31.12.20 £	31.12.19 £
REVENUE		-	-
Administrative expenses		(1,255)	(20,516)
OPERATING LOSS	3	(1,255)	(20,516)
Income from shares in group undertakings		4,205,000	-
Interest receivable and similar income	4	2,992	172,013
		4,206,737	151,497
Interest payable and similar charges	5	(2,171)	(2,587)
PROFIT BEFORE TAXATION		4,204,566	148,910
Tax on profit	6	5,054	(13,352)
PROFIT FOR THE FINANCIAL YEAR		<u>4,209,620</u>	<u>135,558</u>

The notes form part of these financial statements

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)**STATEMENT OF COMPREHENSIVE INCOME**
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
PROFIT FOR THE YEAR		4,209,620	135,558
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,209,620</u>	<u>135,558</u>

The notes form part of these financial statements

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)**STATEMENT OF FINANCIAL POSITION**
31 December 2020

	Notes	31.12.20 £	31.12.19 £
FIXED ASSETS			
Investments	8	6,168,458	5,704,393
Investment property	9	-	-
		<u>6,168,458</u>	<u>5,704,393</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	10	-	34,500
Cash at bank		1,903,084	2,273,503
		<u>1,903,084</u>	<u>2,308,003</u>
CREDITORS			
Amounts falling due within one year	11	-	(532,102)
NET CURRENT ASSETS		<u>1,903,084</u>	<u>1,775,901</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,071,542	7,480,294
PROVISIONS FOR LIABILITIES	12	(1,891,137)	(1,659,386)
NET ASSETS		<u><u>6,180,405</u></u>	<u><u>5,820,908</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Retained earnings	14	6,130,405	5,770,908
SHAREHOLDER FUNDS		<u><u>6,180,405</u></u>	<u><u>5,820,908</u></u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 13 May 2021 and were signed on its behalf by:

V. Town

V Town - Director

The notes form part of these financial statements

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)**STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2020**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	50,000	23,664,075	23,714,075
Changes in equity			
Dividends	-	(18,028,725)	(18,028,725)
Total comprehensive income	-	135,558	135,558
Balance at 31 December 2019	<u>50,000</u>	<u>5,770,908</u>	<u>5,820,908</u>
Changes in equity			
Dividends	-	(3,850,123)	(3,850,123)
Total comprehensive income	-	4,209,620	4,209,620
Balance at 31 December 2020	<u>50,000</u>	<u>6,130,405</u>	<u>6,180,405</u>

The notes form part of these financial statements

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES

General information and basis of accounting

Prime (UK) Holdings Plc is a company limited by shares and is incorporated in England and Wales. The address of the registered office is 5 The Triangle, Wildwood Drive, Worcester, Worcestershire, WR5 2QX. The nature of the company's operations and its principal activity is that of a holding company for the Prime group (headed by Prime (GB) Holdings Limited).

The company's financial statements have been prepared in compliance with FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention and on a going concern basis as modified by the revaluation of land and buildings held as investment property.

The financial statements comprise the audited financial statements of the company up to 31 December each year, and are stated in pounds sterling, the company's functional and presentational currency.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.

Preparation of consolidated financial statements

The financial statements contain information about Prime (UK) Holdings Plc as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Prime (GB) Holdings Limited, 5 The Triangle, Wildwood Drive, Worcester, Worcestershire, WR5 2QX.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence. For this reason they continue to adopt the going concern basis in preparing the financial statements. The assessment of going concern for the group as a whole, including the impact of Covid-19, is summarised in the Annual Report and financial statements of Prime (GB) Holdings Limited.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES - continued

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of UK corporation tax payable in respect of the taxable profit for the year or prior years calculated using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply to the reversal of the timing difference.

Interest income

Interest income is recognised using the effective interest method.

Investments

Investments represent shares in subsidiary undertakings which are valued at cost less accumulated impairment losses.

An impairment review is carried out by comparing the carrying value of investments with a valuation of the individual subsidiary company. Given the nature of the group activities the valuation of subsidiaries is generally based on their underlying net asset value.

Critical accounting judgements and estimates

In preparing the financial statements the directors are required to make a number of accounting judgements and make estimates and assumptions concerning the future. The following judgements and estimates are deemed significant in the context of these financial statements:

i) The carrying value of shares in the company's subsidiary are valued at cost less any accumulated impairment losses. To support the value of the investment, an impairment review is carried out by comparing the carrying value of investments with a valuation of the individual subsidiary company. The valuation of subsidiary companies is generally based on their underlying net asset value.

ii) The liability recognised in respect of the long term employee benefits is based on an estimate of the net present value of amounts payable to employees of the Prime group at the end of the vesting period, based on growth achieved to date. In making this assessment, the directors have assumed that all relevant employees will meet the vesting conditions.

2. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 December 2020 nor for the year ended 31 December 2019.

The directors are paid by other group companies and their remuneration relates largely to services to those companies.

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020****2. EMPLOYEES AND DIRECTORS - continued**

	31.12.20	31.12.19
	£	£
Directors' remuneration	-	-
	<u> </u>	<u> </u>

3. OPERATING LOSS

The audit fee of £2,787 (2019 - £2,581) is borne by a fellow group undertaking.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.12.20	31.12.19
	£	£
Bank interest received	2,992	114,069
Interest on loans to group undertakings	-	57,944
	<u> </u>	<u> </u>
	<u>2,992</u>	<u>172,013</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.20	31.12.19
	£	£
Interest payable on loans from group undertakings	2,171	2,587
	<u> </u>	<u> </u>

6. TAX ON PROFIT**Analysis of the tax (credit)/charge**

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

	31.12.20	31.12.19
	£	£
Current tax:		
UK corporation tax	(5,054)	13,352
	<u> </u>	<u> </u>
Tax on profit	<u>(5,054)</u>	<u>13,352</u>

UK corporation tax has been charged at 19% (2019 - 19%).

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the Year Ended 31 December 2020**6. TAX ON PROFIT - continued****Reconciliation of total tax (credit)/charge included in profit and loss**

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

	31.12.20	31.12.19
	£	£
Profit before tax	4,204,566	148,910
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	798,868	28,293
Effects of:		
Expenses not deductible for tax purposes	221	3,876
Adjustments to tax charge in respect of previous periods	(5,054)	-
Intra group dividend received	(798,950)	-
Group relief	(139)	(18,817)
Total tax (credit)/charge	(5,054)	13,352

Factors that may affect future tax charges

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date have been measured using these enacted rates and reflected in these financial statements.

7. DIVIDENDS

	31.12.20	31.12.19
	£	£
Ordinary shares of 2p each		
Interim	3,850,123	18,028,725

During the previous year, dividends per share were distributed as follows:

Ordinary	7 February 2020	£1.12*
Ordinary	23 November 2020	£0.10
Ordinary	24 December 2020	£0.32

* The dividend on 7 February 2020 took the form of a dividend in specie, of an investment property which had itself been distributed in specie to the company by its subsidiary. See note 9 for more details.

During the previous year, dividends per share were distributed as follows:

Ordinary	29 June 2019	£0.41149
Ordinary	12 December 2019	£6.80

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020****8. INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 January 2020	42,959,619
Additions	464,065
	<hr/>
At 31 December 2020	43,423,684
	<hr/>
PROVISIONS	
At 1 January 2020 and 31 December 2020	37,255,226
	<hr/>
NET BOOK VALUE	
At 31 December 2020	6,168,458
	<hr/>
At 31 December 2019	5,704,393
	<hr/>

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020:****8. INVESTMENTS - continued**

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Prime PLC

Registered office: 5 The Triangle, Wildwood Drive, Worcester, Worcestershire, WR5 2QX.

Nature of business: Property Investment

Class of shares:	% holding
Ordinary	100.00

On 21 January 2016, 62,500 'C' shares in Prime Plc were created and issued to members of key management. The company has an obligation to purchase shares at the end of the vesting period, if requested by shareholders. The company's increased cost of investment during the current year represents the value of the expected benefit payable to the 'C' shareholders.

On 13 May 2020, the company purchased 8,750 shares from one of the 'C' shareholders (see note 12 for further details). The 'C' shares do not give the holder any voting rights in Prime Plc.

The directors believe that the carrying value of the investment is supported by its underlying net assets.

As a result of its investment in Prime Plc the company also has indirect investments in the following subsidiaries:

Name	% Holding	Nature of company
Prime Operations Limited	100%	Holding Company
Prime (UK) Investments Limited	100%	Holding Company
Prime (UK) Developments Limited	100%	Property Development
Prime Infrastructure Management Services Limited	100%	Project Management
Prime Infrastructure Management Services 2 Limited	100%	Project Management
Prime Infrastructure Management Services 3 Limited	100%	Project Management
Prime Infrastructure Management Services 4 Limited	100%	Project Management
Prime Care Home Developments Limited	100%	Dormant
Prime Investment Worcester Limited	100%	Property Investment
Hereford Hub Retail Limited	100%	Dormant
Prime Care Home Developments 3 Limited	100%	Property Development
PPP Leasing Limited	100%	Leasing agent
Prime Partnering Solutions Limited	100%	Holding Company
Practice Partners Limited	100%	Dormant
PIMCO 2778 Limited	100%	Dormant
Prime Structured Finance Limited	100%	Dormant
Prime Insight Limited	100%	Dormant
Mansfield Ravenhall Limited	100%	Dormant
Prime Knowhow Limited	100%	Dormant
Prime Public Infrastructure Limited	100%	Dormant
Prime Public Partnerships 2000 Limited	100%	Dormant
Prime Refinance Limited	100%	Dormant
PPP Retail 1 Limited	100%	Dormant
Prime Infrastructure Limited	100%	Dormant
Practice Partners Holdings Limited	100%	Dormant
Prime Contractor Framework Management Co Limited	100%	Framework Management
Prime Company Secretarial Services Limited	100%	Dormant

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020****8. INVESTMENTS - continued**

The registered office of all companies shown above is 5 The Triangle, Wildwood Drive, Worcester, Worcestershire, WR5 2QX.

9. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
Additions	2,800,000
Disposals	(2,800,000)
	<hr/>
At 31 December 2020	-
	<hr/>
NET BOOK VALUE	
At 31 December 2020	-
	<hr/> <hr/>

On 7 February 2020 the company received the groups head office property as a dividend in specie. This was immediately transferred to the parent company as a dividend in specie on the same day.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Amounts owed by group undertakings	-	34,500
	<hr/>	<hr/>
	-	34,500
	<hr/> <hr/>	<hr/> <hr/>

Balances with group undertakings were unsecured and attracted interest rates of between 0-9%.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Amounts owed to group undertakings	-	518,745
Corporation Tax	-	13,357
	<hr/>	<hr/>
	-	532,102
	<hr/> <hr/>	<hr/> <hr/>

Balances with group undertakings were unsecured, repayable on demand and attracted interest rates of between 0 - 0.5%.

12. PROVISIONS FOR LIABILITIES

	31.12.20 £	31.12.19 £
Other provisions		
Long term employee benefits	1,891,137	1,659,386
	<hr/> <hr/>	<hr/> <hr/>

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020****12. PROVISIONS FOR LIABILITIES - continued**

	Long term employee benefits £
Balance at 1 January 2020	1,659,386
Charge to Income Statement during year	464,065
Utilised during year	(232,314)
Balance at 31 December 2020	<u>1,891,137</u>

On 21 January 2016, 62,500 'C' shares in Prime Plc were created and issued to members of key management. The company has an obligation to purchase these shares at the end of the vesting period, if requested by the shareholders. The employee benefit provision represents the value of the expected benefit to the 'C' shareholders and is being built up over the vesting period of the shares. The first option period begins on 1 May 2020.

The charge to the provision in the year represents the increase in the value of the obligation which the company has to acquire 'C' shares when requested. During the year, an individual left the employment of the Prime group and the company acquired 8,750 'C' shares as it was obliged to do.

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.20 £	31.12.19 £
2,500,000	Ordinary	2p	<u>50,000</u>	<u>50,000</u>

14. RETAINED EARNINGS

	Retained earnings £
At 1 January 2020	5,770,908
Profit for the year	4,209,620
Dividends	(3,850,123)
At 31 December 2020	<u>6,130,405</u>

The retained earnings reserve represents cumulative profits and losses net of dividends paid and other adjustments.

15. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption under Section 33 of FRS 102, not to disclose related party transactions with wholly owned subsidiaries in the group.

PRIME (UK) HOLDINGS PLC (REGISTERED NUMBER: 07383007)

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020**

16. ULTIMATE CONTROLLING PARTY

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

There is no ultimate controlling party.