

ZR Builders (Derby) Limited

Directors' report and financial statements

Year ended 31 December 2009

Registered number 2255001

WEDNESDAY



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Directors' report

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

Principal activities and business review

The company did not trade during the year. The company has interest bearing loans with fellow group undertakings.

The results for the year are set out in the Profit and loss account on page 5 and the position of the company as at the year end is set out in the Balance sheet on page 6.

As the company is no longer trading

- the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance and position of the business, and
- it is not exposed to any risks beyond those exposed to the Group as a whole and these risks are not managed separately. Accordingly, the financial risk management policies of Priory Investments Holdings Limited, which include those of the company, are discussed in the Group's annual report which does not form part of this report.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Priory Investments Holdings Limited, which include those of the company, are discussed in the Group's annual report which does not form part of this report.

Dividends

The directors do not recommend the payment of a dividend (2008 *£nil*)

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

J Lock
D Hall

In accordance with the articles of association, no directors retire by rotation.

Independent auditors

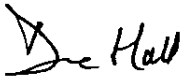
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Directors' report *(continued)*

Provision of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. 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.

By order of the board



D Hall
Company Secretary

Priority House
Randalls Way
Leatherhead
Surrey
KT22 7TP

28 May 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report 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 UK 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.

By order of the board



D Hall
Company Secretary

28 May 2010

Independent auditors' report to the members of ZR Builders (Derby) Limited

We have audited the financial statements of ZR Builders (Derby) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet 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 set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 2009 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Richard Bunter (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

28 May 2010

Profit and loss account
for the year ended 31 December 2009

	Note	2009 £000	2008 £000
Operating result		-	-
Interest receivable and similar income	4	80	134
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	80	134
Tax on profit on ordinary activities	5	(22)	(39)
		<hr/>	<hr/>
Profit for the financial year	9	58	95
		<hr/> <hr/>	<hr/> <hr/>

The results for the current and prior year derive from continuing activities

The company had no other recognised gains or losses for the year other than the profit above, therefore no statement of total recognised gains and losses is presented

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

Balance sheet
 at 31 December 2009

	Note	2009 £000	2008 £000
Current assets			
Debtors due within one year	6	603	523
Debtors due after more than one year	6	1,689	1,689
		<u>2,292</u>	<u>2,212</u>
Creditors amounts falling due within one year	7	(179)	(157)
Net current assets		<u>2,113</u>	<u>2,055</u>
Net assets		<u>2,113</u>	<u>2,055</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	2,113	2,055
Total shareholders' funds	10	<u>2,113</u>	<u>2,055</u>

The financial statements on pages 5 to 10 were approved by the board of directors on 28 May 2010 and were signed on its behalf by



J Lock
 Director

Notes to the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable UK accounting standards and UK company law and under the historical cost accounting rules

The ultimate parent company, Priory Investments Holdings Limited, has confirmed that it will continue to provide financial support to the company for the foreseeable future and for at least 12 months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on the going concern basis

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own publicly available consolidated financial statements

As the company is a wholly owned subsidiary of Priory Investments Holdings Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19

Group relief

Payment is generally made for group relief at the current tax rate at the time of first estimating the tax provision. To the extent that amendments are subsequently made to the group relief plan, there is generally no payment or receipt in respect of change

2 Profit on ordinary activities before taxation

The remuneration of the auditors in the year and prior year was borne by another group undertaking

The company had no employees during the year (2008 nil)

3 Directors' remuneration

The directors received no emoluments for services to the company during the year (2008 nil)

Notes to the financial statements *(continued)*

4 Interest receivable and similar income

	2009	2008
	£000	£000
Interest receivable from group undertakings	80	134
	<u>80</u>	<u>134</u>

5 Tax on profit on ordinary activities

	2009	2008
	£000	£000
<i>UK corporation tax</i>		
Current tax on income for the year	22	38
Adjustment relating to prior years	-	1
	<u>22</u>	<u>39</u>
	<u>22</u>	<u>39</u>

The tax charge of £22,000 (2008 £39,000) on profits for the year has been relieved by the surrender of losses by other group companies in exchange for payment of the same amount

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 28.5% (2007 30%)
 The actual tax charge for the year is the same as (2008 higher than) the standard rate for the reasons set out in the following reconciliation

	2008	2007
	£000	£000
Profit on ordinary activities before taxation	80	134
	<u>80</u>	<u>134</u>
Tax on profit on ordinary activities at standard rate	22	38
<i>Factors affecting charge for the year</i>		
Adjustment in respect of prior years	-	1
	<u>22</u>	<u>39</u>
Total current tax charge for the year	<u>22</u>	<u>39</u>

Notes to the financial statements (continued)

6 Debtors

	2009	2008
	£000	£000
<i>Amounts falling due within one year</i>		
Amounts due from group undertakings	603	523
<i>Amounts falling due after more than one year</i>		
Amounts due from group undertakings	1,689	1,689
	<u>2,292</u>	<u>2,212</u>

Amounts due from group undertakings due within one year are non-interest bearing and repayable on demand

Amounts due from group undertakings due after more than one year bear interest at LIBOR plus 2.25% per annum and are repayable on demand. It is not expected that the demand would be made or that these amounts will be received within the current year and accordingly these amounts have been shown as amounts due after more than one year.

7 Creditors: amounts falling due within one year

	2009	2008
	£000	£000
Amounts due to group undertakings	157	118
Group relief payable	22	39
	<u>179</u>	<u>157</u>

Amounts due to group undertakings are unsecured, non-interest bearing and repayable on demand

8 Called up share capital

	2009	2008
	£	£
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	100	100

Notes to the financial statements (continued)

9 Profit and loss account

	£000
At beginning of the year	2,055
Profit for the financial year	58
	<hr/>
At end of the year	2,113
	<hr/> <hr/>

10 Reconciliation of movement in shareholders' funds

	2009 £000	2008 £000
Profit for the financial year	58	95
	<hr/>	<hr/>
Net addition to shareholders' funds	58	95
Opening shareholders' funds	2,055	1,960
	<hr/>	<hr/>
Closing shareholders' funds	2,113	2,055
	<hr/> <hr/>	<hr/> <hr/>

11 Contingent liabilities

Bank loans of a fellow group undertaking are secured by fixed and floating charges over all the assets of the company

12 Ultimate parent company

The company's immediate parent company, which is incorporated in England, is Priory Old Schools Services Limited

The ultimate parent company is Priory Investments Holdings Limited (incorporated in the Cayman Islands), which is the parent undertaking of the smallest and largest group to consolidate these financial statements. A copy of the consolidated financial statements can be obtained from the Company Secretary at Priory House, Randalls Way, Leatherhead, Surrey KT22 7TP

The directors consider that there is no ultimate controlling party of the company