

5120741

C G I S Holborn Hall Limited
Directors' Report and Financial Statements
Year ended 30 June 2011



C.G.I.S Holborn Hall Limited
Report and Financial Statements
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C.G.I.S Holborn Hall Limited
Directors' Report

The directors present their annual report and the audited financial statements for the year ended 30 June 2011

Principal activities

The company's principal activity during the period was property investment

Results and dividends

The results for the year are shown in the profit and loss account on page 5

The directors do not recommend the payment of a final dividend

Company number. 05120741

Directors

The directors who served during the year were as follows

T S Cole
S R Collins
M N Steinberg

Disclosure of information to auditors

so far as each director at the date of approval of this report is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparation this report, the directors have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006

The report was approved by the board on 30 MARCH 2012 and signed on its behalf



S R Collins
Director

Registered Office
10 Upper Berkeley Street
London
W1H 7PE

C.G.I.S Holborn Hall Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the report and 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 accounts 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 estimates that are reasonable and prudent,
- prepare the accounts 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.

C.G.I.S Holborn Hall Limited
Independent auditors' report
to the shareholder of C.G.I.S Holborn Hall Limited

We have audited the financial statements of CGIS Holborn Hall Limited for the year ended 30 June 2011 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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.

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 Directors' Report 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2011 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 have been prepared is consistent with the financial statements.

**Independent auditors' report
to the shareholder of C.G.I.S Holborn Hall Limited**

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



David Riley (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

30/3/12

Faifax House
15 Fulwood Place
London
WC1V 6AY

C.G.I.S Holborn Hall Limited
Profit and Loss Account
for the year ended 30 June 2011

	Notes	2011 £	2010 £
Turnover	2	1,368,744	1,314,853
Cost of sales		(25,096)	(24,141)
Gross profit		<u>1,343,648</u>	<u>1,290,712</u>
Administrative expenses	4	-	(150)
Operating profit		<u>1,343,648</u>	<u>1,290,562</u>
Interest receivable		-	7
Interest payable	5	(456,724)	(513,592)
Profit on ordinary activities before taxation		<u>886,924</u>	<u>776,977</u>
Tax on profit on ordinary activities	6	(14,589)	(64,507)
Profit for the financial year	13	<u>872,335</u>	<u>712,470</u>

All the above results relate to continuing activities

There is no difference between the profit as stated and those prepared on the historical cost basis

The notes on pages 8 to 12 form part of these financial statements

C.G.I.S Holborn Hall Limited
Statement of total recognised gains and losses
for the year ended 30 June 2011

	Notes	2011 £	2010 £
Profit for the financial year		872,335	712,470
Unrealised surplus on revaluation of properties	12	958,432	1,830,000
Total recognised gains/(losses) related to the year		<u>1,830,767</u>	<u>2,542,470</u>

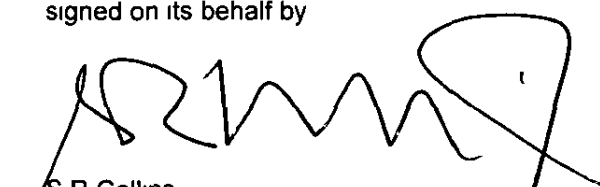
The notes on pages 8 to 12 form part of these financial statements

C.G.I.S Holborn Hall Limited
Balance Sheet
as at 30 June 2011

Company no 05120741

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	7	23,465,000	22,500,000
Current assets			
Debtors	8	305,545	430,041
Creditors, amounts falling due within one year	9	(15,251,598)	(16,256,450)
Net current liabilities		<u>(14,946,053)</u>	<u>(15,826,409)</u>
Total assets less current liabilities		8,518,947	6,673,591
Provisions for liabilities and charges			
Deferred taxation	10	(308,463)	(293,874)
Net assets		<u>8,210,484</u>	<u>6,379,717</u>
Capital and reserves			
Called up share capital	11	1	1
Revaluation reserve	12	5,823,915	4,865,483
Profit and loss account	13	2,386,568	1,514,233
Equity Shareholder's funds	14	<u>8,210,484</u>	<u>6,379,717</u>

These financial statements were approved by the board of directors on 30 MARCH 2012 and were signed on its behalf by


S R Collins
Director

The notes on pages 8 to 12 form part of these financial statements

C G I S Holborn Hall Limited
Notes to the financial statements
for the year ended 30 June 2011

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below

Accounting convention

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable Law)

Properties

Investment properties are included in the balance sheet at the directors' estimate of their market value at 30 June 2011, which is based upon valuations from DTZ Debenham Tie Leung Limited. Surpluses or deficits arising on valuation are transferred to a revaluation reserve. Permanent impairment in the value of properties to below their carrying values are charged directly to the profit and loss account.

Additions to investment properties include only costs of a capital nature.

In accordance with SSAP 19 (as amended) no depreciation or amortisation is provided in respect of freehold and leasehold investment properties. This treatment of the Group's investment properties, is a departure from the requirements of Companies Act 2006 concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the Directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in annual valuation, and the amount which might otherwise be shown, cannot be separately identified or quantified.

Cashflow statement

A cash flow statement is included in the consolidated financial statements of the ultimate holding company, C G I S Group Limited. The company therefore is exempt under FRS1 from the requirement to prepare a separate cash flow statement.

Related party transactions

As the company is a wholly owned subsidiary of C G I S Group Limited, it has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances which form part of the group.

Deferred taxation

Deferred tax is provided in respect of all timing differences that have originated but not reversed at the balance sheet date where an event has occurred that results in an obligation to pay more or less tax in the future, except that

- (a) Provision is not made in respect of property revaluation surpluses unless an unconditional sales agreement has been signed and rollover relief is not available to cover any gain arising, and
- (b) Deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the relevant timing differences can be deducted.

Deferred tax is measured on a non discounted basis at the tax rates which apply at the balance sheet date.

C G I S Holborn Hall Limited
Notes to the financial statements
for the year ended 30 June 2011

2 Turnover

Turnover, which is stated net of value added tax, includes rents receivable and the invoiced value of other sales from operations within the United Kingdom

3 Staff numbers and costs

Except for the directors, there were no persons employed by the company during the period (2010 None) The directors received no remuneration for their services to the the company (2010 Nil)

4 Auditors' remuneration

The auditors' remuneration has been borne by its ultimate parent company, C G I S Group Limited

5 Interest payable

	2011 £	2010 £
Other loans	456,724	512,282
Other interest	-	1,310
	<u>456,724</u>	<u>513,592</u>

Interest on intercompany loans is charged annually in arrears at bank base rate plus 3.25%. However, where this would result in a loss arising in the subsidiary company's accounts, the amount of interest charged is constrained to the funds available in that subsidiary company, such that neither a gain or a loss arises in its accounts

6 Taxation

	2011 £	2010 £
UK corporation tax at 26/28% (2010 28%)	-	-
Deferred taxation	14,589	64,507
Total corporation tax and similar charges for the year	<u>14,589</u>	<u>64,507</u>

The tax on the profit on ordinary activities has been reduced from the amount that would arise from applying the prevailing corporation tax rate to the company's profit as follows -

Current taxation reconciliation

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>886,924</u>	<u>776,977</u>
UK corporation tax at 26/28% on profits before tax (2010 28%)	243,904	217,554
Capital allowances and IBAs	(50,684)	(64,507)
Permanently disallowable expenditure	-	42
Lease incentive capital item treated as income	-	31,161
Tax losses from group companies	<u>(193,220)</u>	<u>(184,250)</u>
	<u>-</u>	<u>-</u>

C G I S Holborn Hall Limited
Notes to the financial statements
for the year ended 30 June 2011

7 Tangible fixed assets

	Freehold land and buildings £
Cost	
At 1 July 2010	22,500,000
Additions	6,568
Surplus on revaluation	958,432
At 30 June 2011	<u>23,465,000</u>
Net book value	
At 30 June 2011	<u>23,465,000</u>
At 30 June 2010	<u>22,500,000</u>

Freehold land and buildings	2011 £	2010 £
Historic cost	<u>17,641,085</u>	<u>17,634,517</u>

The company is a subsidiary of C G I S Group Limited group ("the group") The group has borrowings which are secured against the assets of the group and the company is a guarantor of these borrowings

The group borrowings contain certain financial covenants relating to the market value of the group's property assets in a ratio to the level of outstanding borrowings At 30 June 2011, the group was in full compliance with these ratios

The company's property have been valued as at 30 June 2011 by the directors based on valuations provided by the Group's independent external valuer, DTZ Debenham Tie Leung These valuations were prepared in accordance with the current Practice Statement ("PS") and United Kingdom Practice Statement ("UKPS") contained within the RICS Appraisal and Valuation Standards, 6th edition ('The Red Book')

8 Debtors	2011 £	2010 £
Other debtors	260,780	329,138
Prepayments and accrued income	44,765	100,903
	<u>305,545</u>	<u>430,041</u>
9 Creditors amounts falling due within one year	2011 £	2010 £
Trade creditors	7,575	1,979
Amounts owed to group undertakings	14,773,200	15,855,589
Other creditors	322,511	351,239
Accruals and deferred income	148,312	47,643
	<u>15,251,598</u>	<u>16,256,450</u>

C G.I.S Holborn Hall Limited
Notes to the financial statements
for the year ended 30 June 2011

10 Deferred taxation

	2011	2010
	£	£
At 1 July	293,874	229,367
Short term timing differences, including accelerated capital allowances	14,589	64,507
At 30 June	<u>308,463</u>	<u>293,874</u>

Deferred taxation provided in the accounts and the amounts not provided are as follows

	Provided	Potential	Provided	Potential
	2011	2011	2010	2010
	£	£	£	£
Short term timing differences, including accelerated capital allowances	14,589	-	64,507	-
Potential tax on property value gain/deficit	-	214,121	-	1,362,335
	<u>14,589</u>	<u>214,121</u>	<u>64,507</u>	<u>1,362,335</u>

11 Share capital

	2011	2010
	£	£
Allotted, called up and fully paid Ordinary shares of £1 each	<u>1</u>	<u>1</u>

12 Revaluation reserve

	2011	2010
	£	£
At the beginning of the period	4,865,483	3,035,483
Arising on revaluation during the year	958,432	1,830,000
At the end of the period	<u>5,823,915</u>	<u>4,865,483</u>

13 Profit and loss account

	2011	2010
	£	£
At 1 July	1,514,233	801,763
Retained profit for the financial year	872,335	712,470
Transfer to capital redemption reserve	-	-
At 30 June	<u>2,386,568</u>	<u>1,514,233</u>

C G I.S Holborn Hall Limited
Notes to the financial statements
for the year ended 30 June 2011

14 Reconciliation of movement in shareholder's funds

	2011	2010
	£	£
At the beginning of the period	6,379,717	3,837,247
Profit for the financial year	872,335	712,470
Arising on revaluation during the year	958,432	1,830,000
	<hr/>	<hr/>
At the end of the period	8,210,484	6,379,717

15 Ultimate controlling parties

The largest and smallest group into which the company is consolidated is C G I S Group Limited, a company registered in England and Wales

The consolidated financial statements of C G I S Group Limited can be obtained from 10 Upper Berkeley Street, London, W1H 7PE

The company is ultimately controlled by the directors