

Registered number
04316756

C.G.I.S. Erdington Limited
Directors' Report and Accounts
30 June 2009



C.G.I S Erdington Limited
Report and accounts
Contents

	Page
Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the accounts	8 - 12

C.G I.S. Erdington Limited
Directors' Report

The directors present their annual report and the audited financial statements for the year ended 30 June 2009

Principal activities

The company's principal activity during the year continued to be 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 (2008 Nil)

Directors

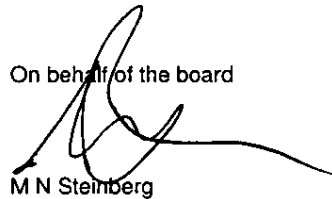
The directors who served during the year were as follows

T S Cole
S R Collins
M N Steinberg

Auditors

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

On behalf of the board



M N Steinberg
Director

10 Upper Berkeley Street
London
W1H 7PE

11/3/2010

C G I.S. Erdington Limited
Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 30 June 2009 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and which 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.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice. So far as each of the directors is aware at the time the report is approved:

- there is no relevant 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.

Independent auditors' report to the members of C.G.I.S. Erdington Limited

We have audited the financial statements of C G I S Erdington Limited for the year ended 30 June 2009 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 Section 495 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 Auditor's 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 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 30 June 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

Independent auditors' report to the members of C.G I S. Erdington 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
for and on behalf of haysmacintyre
Statutory Auditor

11/03/10

Fairfax House
15 Fulwood Place
London, WC1V 6AY

C.G.I.S. Erdington Limited
Profit and Loss Account
for the year ended 30 June 2009

	Notes	2009 £	2008 £
Turnover	2		
Rent receivable		182,777	178,694
Service charge income		<u>22,041</u>	<u>21,283</u>
		204,818	199,977
 Cost of sales		 (22,041)	 (21,283)
Gross profit	4	<u>182,777</u>	<u>178,694</u>
 Interest payable	5	 (26,591)	 (97,467)
Profit on ordinary activities before taxation		<u>156,186</u>	<u>81,227</u>
 Tax on profit on ordinary activities	6	 -	 -
Profit for the financial year		<u>156,186</u>	<u>81,227</u>

Continuing operations

All of the above relate to continuing operations

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

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

C.G.I.S. Erdington Limited
Statement of total recognised gains and losses
for the year ended 30 June 2009

	Notes	2009 £	2008 £
Profit for the financial year		156,186	81,227
Unrealised deficit on revaluation of properties	7	(540,000)	(360,000)
Total recognised (losses)/gains related to the year		<u>(383,814)</u>	<u>(278,773)</u>

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

C.G.I.S. Erdington Limited
Balance Sheet
as at 30 June 2009

	Notes	2009 £	2008 £
Fixed assets			
Investment property	7	2,200,000	2,740,000
Current assets			
Debtors	8	1	1
Creditors: amounts falling due within one year	9	(1,405,555)	(1,561,741)
Net current liabilities		(1,405,554)	(1,561,740)
Total assets less current liabilities		794,446	1,178,260
Net assets		794,446	1,178,260
Capital and reserves			
Called up share capital	10	1	1
Revaluation reserve	11	210,594	750,594
Profit and loss account	11	583,851	427,665
Equity Shareholder's funds	12	794,446	1,178,260

These financial statements were approved by the board of directors on
signed on its behalf by

and were

M N Steinberg
Director

S R Collins
Director

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

C.G.I.S. Erdington Limited
Notes to the Accounts
for the year ended 30 June 2009

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 with the exception of the presentation of gross property income noted below

Accounting convention

The financial statements have been prepared under the historical cost accounting rules, modified to include the revaluation of land and buildings, and in accordance with applicable accounting standards in the United Kingdom and in accordance with the Companies Act 2006

Basis of preparation

The accounts have been prepared on the going concern basis by the directors, who have assessed the future performance of the company and determined that the going concern basis is appropriate. In addition, the directors have obtained the support of C G I S Group No 3 Limited for a period of at least 12 months from the date of the approval of the financial statements

Properties

Investment properties are included in the balance sheet at their open market value at the balance sheet date based upon an annual external professional valuation. Aggregate surpluses or deficits arising on valuation are transferred to a revaluation reserve. Impairment in the value of properties to below their carrying values are charged directly to the profit and loss account, where such impairments are considered permanent.

Additions to investment properties include only costs of a capital nature. Costs such as interest and other property outgoings are treated as revenue expenditure and written off as incurred.

In accordance with SSAP 19 (as amended) "Accounting for Investment Properties" no depreciation or amortisation is provided in respect of freehold and leasehold investment properties. This treatment 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

The cash flow statement included in the consolidated financial statements of the holding company, CGIS Group (No 3) Limited, complies with the conditions of Financial Reporting Standard No 1 (revised 1996) 'Cash flow statements' (FRS1). 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 CGIS Group (No 3) 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 (or investees of the group qualifying as related parties).

The consolidated financial statements of CGIS Group (No 3) Limited, within which this company is included, can be obtained from 10 Upper Berkeley Street, London, W1H 7PE.

Gross property income

Following the issue of Application Note G (an amendment to FRS 5) in November 2003, the gross value of property expenses is now included within cost of sales and the contribution from tenants is included in turnover.

C.G.I.S. Erdington Limited
Notes to the Accounts
for the year ended 30 June 2009

1 Accounting policies (continued)

FRS 25 "Financial Instruments" disclosure and presentation"

Where the contractual obligations (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses are included in the profit and loss account. Accordingly, non equity share capital has been reanalysed, in accordance with FRS25, as financial liabilities. Dividends payable on this share capital are classified as finance costs and are shown in interest payable and similar charges.

2 Turnover

Turnover, which is stated net of value added tax, includes rents receivable, service charge and other recoveries from tenants of its investment property within the United Kingdom.

3 Staff numbers and costs

Except for the directors, there were no persons employed by the company during the year (2008 Nil). The directors received no remuneration for their services to the company (2008 Nil).

4 Auditors' remuneration

The auditors' remuneration has been borne by its intermediate parent company, CGIS Group (No 3) Limited.

5 Interest payable	2009	2008
	£	£
Finance charges arising in respect of loans from group undertakings and other loans	25,884	97,467
Other interest	707	-
	<u>26,591</u>	<u>97,467</u>

C.G.I.S. Erdington Limited
Notes to the Accounts
for the year ended 30 June 2009

6 Taxation

Tax on profit on ordinary activities

	2009	2008
	£	£
Taxation based on profits for the period		
Current tax	-	-
Total corporation tax and similar taxes	-	-

Current tax

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

	2009	2008
	£	£
UK corporation tax at 28% on profits before tax (2008 28%)	43,732	22,744
Tax losses from group companies	(43,732)	(22,744)
	-	-

Factors that may affect future tax charges

No provision has been made for taxation which might become payable if the company's investment property was sold at the net amount at which it is stated in the financial statements. The tax liability would amount to approximately £nil (2008 £77,918)

7 Investment property

	Freehold land and buildings £
Valuation	
At 30 June 2008	2,740,000
Deficit on revaluation	(540,000)
At 30 June 2009	2,200,000
Net book value	
At 30 June 2009	2,200,000
At 30 June 2008	2,740,000
 Freehold land and buildings	
	2009 2008
	£ £
Historical cost	1,989,406 1,989,406

The company's property has been valued on an open market value basis as at 30 June 2009 by the Group's independent external valuer, CB Richard Ellis

The immediate parent company, HDL Debenture Limited, has a debenture loan and a bank loan which are secured by way of a first and second legal charge over the investment property and all other assets of the company

C.G.I.S Erdington Limited
Notes to the Accounts
for the year ended 30 June 2009

8 Debtors	2009	2008
	£	£
Amounts owed by group undertakings	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

9 Creditors amounts falling due within one year	2009	2008
	£	£
Trade creditors	7,352	7,016
Amounts owed to group undertakings	1,345,818	1,504,676
Other taxes and social security costs	6,977	7,942
Other creditors	2,250	-
Accruals and deferred income	<u>43,158</u>	<u>42,107</u>
	<u>1,405,555</u>	<u>1,561,741</u>

Interest on intercompany loans is charged annually in arrears at bank base rate plus 1.5%. 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 before interest and dividends.

10 Share capital	2009	2008
	£	£
Authorised		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	2009	2008
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

11 Reserves	Revaluation reserve	Profit and loss account
	£	£
At 1 July	750,594	427,665
Profit	-	156,186
Deficit on revaluation	(540,000)	-
At 30 June	<u>210,594</u>	<u>583,851</u>

C.G.I.S. Erdington Limited
Notes to the Accounts
for the year ended 30 June 2009

12 Reconciliation of movement in shareholder's funds	2009	2008
	£	£
At 1 July	1,178,260	1,457,033
Profit for the financial year	156,186	81,227
Arising on revaluation during the year	(540,000)	(360,000)
At 30 June	<u>794,446</u>	<u>1,178,260</u>

13 Ultimate controlling parties

The immediate holding company is HDL Debenture Limited and the ultimate parent company is CGIS Group (No 3) Limited. Both of these companies are incorporated in England and Wales.

The company is ultimately controlled by the directors.