

Registered number
07236261

CGIS Priory House Limited
Directors Report and Financial Statements
30 June 2012

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CGIS Priory House Limited
Report and financial statements
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CGIS Priory House Limited

Registered number: 07236261

Directors' Report

The directors present their report and financial statements for the year ended 30 June 2012

Principal activities

The company's principal activity during the year continued to be property investment

Directors

The following persons served as directors during the year

T S Cole
S R Collins
M N Steinberg

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he 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 auditor is aware of that information

Auditors

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

This report was approved by the board on 14 March 2013 and signed on its behalf



M N Steinberg
Director

Registered Office
10 Upper Berkeley Street
London
W1H 7PE

CGIS Priory House 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 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 estimates that are reasonable and prudent,
- 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.

CGIS Priory House Limited
Independent auditors' report
to the shareholders of CGIS Priory House Limited

We have audited the financial statements of CGIS Priory House Limited for the year ended 30 June 2012 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 Statement of Directors' Responsibilities, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

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 2012 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.

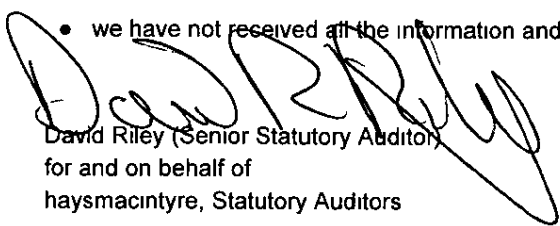
Opinion on other matters prescribed by the Companies Act 2006

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.

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 Auditors

haysmacintyre
Fairfax House, 16 Fulwood Place
London
WC1V 6AY

14 March 2013

CGIS Priory House Limited
Profit and Loss Account
for the year ended 30 June 2012

	Notes	Year ended 2012 £	13 month Period ended 2011 £
Turnover	2	647,318	703,205
Cost of sales		(120,510)	(28,600)
Gross profit		<u>526,808</u>	<u>674,605</u>
Administrative expenses		(559)	(22)
Operating profit	4	<u>526,249</u>	<u>674,583</u>
Interest payable	5	(368,659)	(449,560)
Profit on ordinary activities before taxation		<u>157,590</u>	<u>225,023</u>
Tax on profit on ordinary activities	6	-	-
Profit for the financial year/period		<u>157,590</u>	<u>225,023</u>

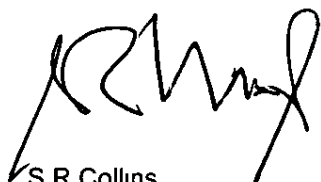
CGIS Priory House Limited
Statement of total recognised gains and losses
for the year ended 30 June 2012

	Notes	2012 £	2011 £
Profit for the financial year		157,590	225,023
Unrealised surplus/(deficit) on revaluation of properties	7	267,360	(413,403)
Total recognised gains and losses related to the year		<u>424,950</u>	<u>(188,380)</u>

CGIS Priory House Limited
Balance Sheet
as at 30 June 2012

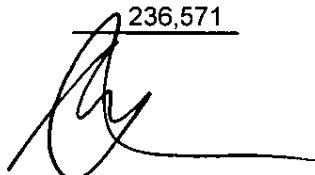
Company number 07236261

	Notes	2012 £	2011 £
Fixed assets			
Investment Properties	7	10,370,000	10,100,000
Current assets			
Debtors	8	479,056	155,579
Creditors, amounts falling due within one year	9	(10,612,485)	(10,443,958)
Net current liabilities		<u>(10,133,429)</u>	<u>(10,288,379)</u>
Total assets less current liabilities		<u>236,571</u>	<u>(188,379)</u>
Provisions for liabilities	10	-	-
Net assets/(liabilities)		<u>236,571</u>	<u>(188,379)</u>
Capital and reserves			
Called up share capital	11	1	1
Revaluation reserve	12	(146,043)	(413,403)
Profit and loss account	13	382,613	225,023
Shareholders' funds		<u>236,571</u>	<u>(188,379)</u>



S R Collins
Director

Approved by the board on 14 March 2013



M N Steinberg
Director

CGIS Priory House Limited
Notes to the Accounts
for the year ended 30 June 2012

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse

Properties

Investment properties are included in the balance sheet at the directors' estimate of their market value at 30 June 2012, which is based upon valuations provided by 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 is 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 statements is included in the consolidated financial statements of the ultimate holding company CGIS 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.

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.

CGIS Priory House Limited
Notes to the Accounts
for the year ended 30 June 2012

3 Staff numbers and costs

Except for the directors, there were no persons employed by the company during the period. The directors received no remuneration for their services to the company.

4 Operating profit

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

5 Interest payable	2012	2011
	£	£
Interest payable	368,659	449,560
	<u>368,659</u>	<u>449,560</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	2012	2011
	£	£
UK corporation tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

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

	2012	2011
	£	£
Profit on ordinary activities before taxation	<u>157,590</u>	<u>225,023</u>
UK corporation tax at 24/26% (2011 26/28%) on profits before tax	40,188	61,881
Expenses not deductible for tax purposes	3,353	-
Other difference leading to a decrease in the tax charge	-	(975)
Tax losses from group companies	<u>(43,541)</u>	<u>(62,031)</u>
	<u>-</u>	<u>(1,125)</u>

The company had no provided deferred tax (2011 £Nil) and £35,050 (2011 £107,485) unprovided deferred tax asset regarding potential tax on property value deficit at 30 June 2012.

CGIS Priory House Limited
Notes to the Accounts
for the year ended 30 June 2012

7 Investment Properties

	Land and buildings £	Total £
Cost		
At 1 July 2011	10,100,000	10,100,000
Additions	2,640	2,640
Surplus on revaluation	267,360	267,360
At 30 June 2012	<u>10,370,000</u>	<u>10,370,000</u>
Net book value		
At 30 June 2012	<u>10,370,000</u>	<u>10,370,000</u>
At 30 June 2011	<u>10,100,000</u>	<u>10,100,000</u>

Freehold land and buildings	2012 £	2011 £
Historical cost	<u>10,516,043</u>	<u>10,513,403</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 2012, the group was in full compliance with these ratios

The company's property have been valued as at 30 June 2012 by the directors based on a valuation provided by the Group's independent external valuer, DTZ Debenham Tie Leung, in accordance with the current Valuation Standards ("VS") and United Kingdom Valuation Standards ("UKVS") contained within the RICS Appraisal and Valuation Standards, 8th edition ('The Red Book')

8 Debtors	2012 £	2011 £
Other debtors	<u>479,056</u>	<u>155,579</u>
	<u>479,056</u>	<u>155,579</u>
9 Creditors. amounts falling due within one year	2012 £	2011 £
Trade creditors	22,767	26,047
Amounts owed to parent undertaking	9,583,743	9,732,735
Other creditors	1,005,975	685,176
	<u>10,612,485</u>	<u>10,443,958</u>

CGIS Priory House Limited
Notes to the Accounts
for the year ended 30 June 2012

10 Provisions for liabilities

Deferred taxation	2012 £	2011 £
Accelerated capital allowances	-	-
Tax losses carried forward	-	-
	<u>-</u>	<u>-</u>

	2012 £	2011 £
At 1 July	-	-
Deferred tax charge in profit and loss account	-	-
	<u>-</u>	<u>-</u>
At 30 June	<u>-</u>	<u>-</u>

11 Share capital

	Nominal value	2012 Number	2012 £	2011 £
Allotted, called up and fully paid Ordinary shares	£1 each	1	<u>1</u>	<u>1</u>
			<u>1</u>	<u>1</u>

12 Revaluation reserve

	2012 £
At 1 July 2011	(413,403)
Arising on revaluation during the year	267,360
	<u>(146,043)</u>
At 30 June 2012	<u>(146,043)</u>

13 Profit and loss account

	2012 £
At 1 July 2011	225,023
Profit for the year	157,590
	<u>382,613</u>
At 30 June 2012	<u>382,613</u>

14 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
At 1 July / 27 April	(188,379)	1
Result for the financial year/period	157,590	225,023
Arising on revaluation during year/period	267,360	(413,403)
At 30 June	<u>236,571</u>	<u>(188,379)</u>

CGIS Priory House Limited
Notes to the Accounts
for the year ended 30 June 2012

15 Ultimate controlling party

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