

Registered number
07684285

CGIS Logistics Limited
Directors Report and Financial Statements
30 June 2013

THURSDAY



A3419DF7
A22 20/03/2014 #191
COMPANIES HOUSE

CGIS Logistics Limited
Report and accounts
Contents

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

CGIS Logistics Limited**Registered number: 07684285****Directors' Report**

The directors present their report and financial statements for the year ended 30 June 2013

Principal activities

The company's principal activity 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

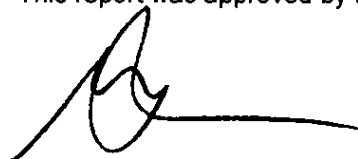
- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditors

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

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

This report was approved by the board on 23 October 2013 and signed on its behalf



M N Steinberg
Director

Registered Office
10 Upper Berkeley Street
London
W1H 7PE

CGIS Logistics 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 Logistics Limited
Independent auditors' report
to the shareholders of CGIS Logistics Limited

We have audited the financial statements of CGIS Logistics Limited for the year ended 30 June 2013 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 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 accounts

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 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 accounts are prepared is consistent with the accounts.

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
23 October 2013

26 Red Lion Square
London
WC1R 4AG

CGIS Logistics Limited
Profit and Loss Account
for the year ended 30 June 2013

	Notes	2013 £	Restated 2012 £
Turnover	2	1,018,263	961,874
Cost of sales		(74,842)	(103,618)
Gross profit		<u>943,421</u>	<u>858,256</u>
Administrative expenses		(14,113)	(13,736)
Other operating income		400,000	-
Operating profit		<u>1,329,308</u>	<u>844,520</u>
Exceptional items (loss)/profit on the disposal of tangible fixed assets		(18,000)	598,637
		<u>1,311,308</u>	<u>1,443,157</u>
Interest payable	5	(316,600)	(352,904)
Profit on ordinary activities before taxation		<u>994,708</u>	<u>1,090,253</u>
Tax on profit on ordinary activities	6	(352,088)	-
Profit for the financial year		<u>642,620</u>	<u>1,090,253</u>

CGIS Logistics Limited
Statement of total recognised gains and losses
for the year ended 30 June 2013

	Notes	2013 £	Restated 2012 £
Profit for the financial year		642,620	1,090,253
Unrealised surplus/(deficit) on revaluation of properties	7	566,034	(269,000)
Total recognised gains and losses related to the year		<u>1,208,654</u>	<u>821,253</u>
Prior year adjustments	18	(2,839,194)	-
Total recognised gains and losses since last financial statements		<u>(1,630,540)</u>	<u>821,253</u>

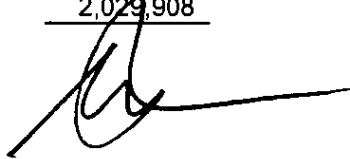
CGIS Logistics Limited
Balance Sheet
as at 30 June 2013

Company number 07684285

	Notes	2013 £	Restated 2012 £
Fixed assets			
Investment Property	7	10,548,000	9,956,000
Current assets			
Debtors	8	1,665,503	1,604,809
Cash at bank and in hand		<u>425,244</u>	<u>345,465</u>
		2,090,747	1,950,274
Creditors: amounts falling due within one year	9	(1,096,737)	(913,228)
Net current assets		<u>994,010</u>	<u>1,037,046</u>
Total assets less current liabilities		<u>11,542,010</u>	<u>10,993,046</u>
Creditors, amounts falling due after more than one year	10	(9,512,100)	(10,171,792)
Provisions for liabilities	12	(2)	-
Net assets		<u>2,029,908</u>	<u>821,254</u>
Capital and reserves			
Called up share capital	13	1	1
Revaluation reserve	14	297,034	(269,000)
Profit and loss account	15	1,732,873	1,090,253
Shareholders' funds		<u>2,029,908</u>	<u>821,254</u>


S R Collins
Director

Approved by the board on 23 October 2013


M N Steinberg
Director

CGIS Logistics Limited
Notes to the Accounts
for the year ended 30 June 2013

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

Basis of preparation

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 their market value at 30 June 2013
Temporary 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 SSAP19 (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 cashflow 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 cashflow 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 with wholly owned fellow subsidiaries.

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.

CGIS Logistics Limited
Notes to the Accounts
for the year ended 30 June 2013

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. The directors received no remuneration for their services to the company

4 Auditors remuneration

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

5 Interest payable	2013	Restated 2012
	£	£
Interest payable	316,600	352,904
	<u>316,600</u>	<u>352,904</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 loss arises in its accounts

6 Taxation	2013	Restated 2012
	£	£
UK corporation tax	352,086	-
Deferred tax	2	-
	<u>352,088</u>	<u>-</u>
Current taxation reconciliation	2013	2012
	£	£
Profit on ordinary activities before taxation	<u>994,708</u>	<u>1,090,253</u>
UK corporation tax at 24/23% (2012: 24/26%) on profits before taxation	236,250	277,647
Permanently disallowable expenditure	4,364	12,097
Accounting profit in excess of chargeable gain	-	(152,661)
Capital allowances	-	(2)
Transfer pricing adjustments	-	(25,609)
Tax losses from group companies	-	(111,472)
Payment for group relief in the previous period	111,472	-
	<u>352,086</u>	<u>-</u>

The company had provided £2 deferred tax and £609,059 unprovided deferred tax liability regarding potential tax on property value surplus as at 30 June 2013

CGIS Logistics Limited
Notes to the Accounts
for the year ended 30 June 2013

7 Tangible Fixed Assets

	Investment Properties £	Total £
Cost		
At 1 July 2012	9,956,000	9,956,000
Additions	25,966	25,966
Surplus on revaluation	566,034	566,034
At 30 June 2013	<u>10,548,000</u>	<u>10,548,000</u>
Net book value		
At 30 June 2013	<u>10,548,000</u>	<u>10,548,000</u>
At 30 June 2012	<u>9,956,000</u>	<u>9,956,000</u>

	2013 £	Restated 2012 £
Freehold land and buildings		
Historical cost	<u>10,250,966</u>	<u>10,225,000</u>

The company's property has been valued as at 30 June 2013 by the directors based on valuations provided by the Group's independent external valuer, DTZ Debenham Tie Leung. These valuations have been prepared 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	2013 £	Restated 2012 £
Trade debtors	-	3,998
Amounts owed by parent undertaking	-	14,792
Amounts owed by fellow subsidiary	1,503,625	1,451,057
Other debtors	161,878	134,962
	<u>1,665,503</u>	<u>1,604,809</u>

9 Creditors: amounts falling due within one year	2013 £	2012 £
Bank loans and overdrafts	360,000	360,000
Trade creditors	166,805	193,418
Amounts owed to parent undertaking	233,082	-
Other taxes and social security costs	52,974	-
Accruals and deferred income	283,876	359,810
	<u>1,096,737</u>	<u>913,228</u>

CGIS Logistics Limited
Notes to the Accounts
for the year ended 30 June 2013

10 Creditors amounts falling due after one year	2013	2012
	£	£
Bank loans	4,870,098	5,129,790
Other loan	4,642,002	5,042,002
	<u>9,512,100</u>	<u>10,171,792</u>

Included in other loans is a balance of £2,862,002 payable to CGIS Group Limited. The balance has been provided interest free and is repayable in 2016.

Also included in other loans is a balance of £770,000. The balance attracts interest at a rate of 15% and is repayable in full in 2016.

The remaining other loans are repayable in 2016 and were provided interest free.

Analysis of maturity of debt	2013	2012
	£	£
Within one year or on demand	360,000	360,000
Between one and two years	360,000	360,000
Between two and five years	4,510,098	4,769,790
After five years		
	<u>5,230,098</u>	<u>5,489,790</u>

11 Loans	2013	2012
	£	£
Creditors include		
Secured bank loans	<u>5,230,098</u>	<u>5,489,790</u>

Bank loans

The bank loan attracts interest at a rate of 2.5% over LIBOR plus MLA. The bank loan is secured by a legal mortgage and fixed and floating charges over the company's properties, together with a rental income assignment over the rental income due from the company's properties. The company has used interest rate swaps to generate the desired interest profile and to manage the company's exposure to interest rate fluctuations. At the year end 59.85% of the company's bank loans were at a fixed rate after taking account of interest rate swaps.

CGIS Logistics Limited
Notes to the Accounts
for the year ended 30 June 2013

12 Provisions for liabilities

Deferred taxation	2013	2012
	£	£
Accelerated capital allowances	2	-
	<u>2</u>	<u>-</u>
	2013	2012
	£	£
At 1 July	-	-
Deferred tax charge in profit and loss account	2	-
	<u>2</u>	<u>-</u>
At 30 June	<u>2</u>	<u>-</u>

13 Share capital

	Nominal value	2013 Number	2013 £	2012 £
Allotted, called up and fully paid Ordinary shares	£1 each	1	1	1
			<u>1</u>	<u>1</u>

14 Revaluation reserve

	2013 £
At 1 July 2012 as previously stated	2,619,449
Prior year adjustment (Note 18)	(2,888,449)
At 1 July 2012 as restated	<u>(269,000)</u>
Arising on revaluation during the year	566,034
At 30 June 2013	<u>297,034</u>

15 Profit and loss account

	2013 £
At 1 July 2012 as previously stated	1,040,998
Prior year adjustments (Note 18)	49,255
At 1 July 2012 as restated	<u>1,090,253</u>
Profit for the year	642,620
At 30 June 2013	<u>1,732,873</u>

CGIS Logistics Limited
Notes to the Accounts
for the year ended 30 June 2013

16 Related party transactions	2013	2012
	£	£
Marcol Industrial Management LLP		
Under common control		
Management fees were charged in the profit and loss account		
Amount charged by the related party	(49,400)	(45,454)

17 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 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 company is ultimately controlled by the directors

18 Prior Year Adjustment

On 25 July 2011 a fellow subsidiary of CGIS Group Limited, Elentee Limited acquired the whole of the issued share capital Lotra Limited Following this acquisition 4 properties held by Lotra Limited were immediately transferred to the company

The Directors have subsequently reviewed the accounting for the transaction within each subsidiary and noted that the purchase price recognised in the 30 June 2012 financial statements of this company did not reflect the effective cost of purchase incurred by Elentee Limited which equated to the market valuation of those properties at 25 July 2011 The use of the effective purchase cost fundamentally affects the company's revaluation reserve and balance sheet at 30 June 2012 and accordingly the Directors have chosen to amend the corresponding amounts for the period ended 30 June 2012 by a prior period adjustment

As a result of the amendment the revaluation reserve at 30 June 2012 has been restated at (£269,000), and the amount due to the fellow subsidiary at the same date has been restated at £1,451,057

As a consequence of the amendment intercompany interest of £49,255 has been recognised in the financial statements, accordingly the profit and loss account for the year ended 30 June 2012 has been restated

19 Post year end events

On the 15th July 2013 one the group's properties in Grantham was severely damaged by fire due to an electrical fault After an investigation the insurance company admitted liability and a settlement has been agreed in principal for the demolition and making safe of the site, together with the loss of rent for a period of 4 years on the damaged units, which amounts to £96,655 pa The insurance policy allows for the repair or rebuilding of the fire damaged units, but this part of the settlement is under discussion as at the date of signing the financial statements