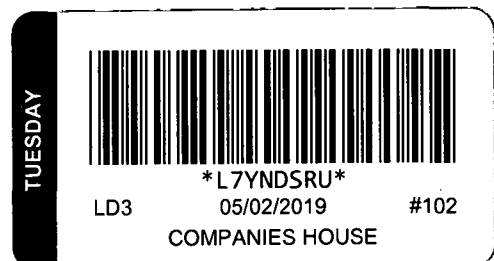


C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018



C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED

COMPANY INFORMATION

Directors	T S Cole S R Collins M N Steinberg
Registered number	08649243
Registered office	10 Upper Berkeley Street London W1H 7PE
Independent auditors	haysmacintyre Statutory Auditor 10 Queen Street Place London EC4R 1AG

C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED

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C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

The directors present their report and the financial statements for the year ended 30 June 2018.

Directors

The directors who served during the year were:

T S Cole
S R Collins
M N Steinberg

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Principal activity

The company's principal activity is property development.

Results and dividends

The loss for the year, after taxation, amounted to £290,856 (2017 - loss £419,516).

No dividends were paid in the year (2017: £nil)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

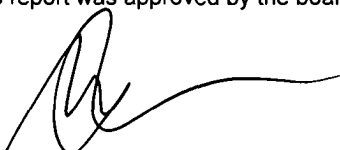
C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018**

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 10/12/2018 and signed on its behalf.



M N Steinberg
Director

C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED

Opinion

We have audited the financial statements of C.G.I.S. Group (No. 3) Intermediate Limited (the 'Company') for the year ended 30 June 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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.



David Riley (Senior Statutory Auditor)

for and on behalf of

haysmacintyre

Statutory Auditor

10 Queen Street Place

London

EC4R 1AG

Date: 18/04/2018

C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 £	2017 £
Administrative expenses		(156,936)	(184,601)
Operating loss		<u>(156,936)</u>	<u>(184,601)</u>
Interest receivable and similar income	6	4,925	391,695
Interest payable and similar expenses	7	(138,845)	(626,610)
Loss before tax		<u>(290,856)</u>	<u>(419,516)</u>
Loss for the financial year		<u><u>(290,856)</u></u>	<u><u>(419,516)</u></u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

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

C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED
REGISTERED NUMBER: 08649243

BALANCE SHEET
AS AT 30 JUNE 2018

	Note		2018 £	2017 £
Fixed assets				
Investments	9		101	101
			<u>101</u>	<u>101</u>
Current assets				
Debtors: amounts falling due within one year	10	540,113	25,147,941	
Cash at bank and in hand	11	2,595,117	3,692,974	
		<u>3,135,230</u>	<u>28,840,915</u>	
Creditors: amounts falling due within one year	12	(9,760,292)	(35,175,121)	
Net current liabilities			<u>(6,625,062)</u>	<u>(6,334,206)</u>
Total assets less current liabilities			<u>(6,624,961)</u>	<u>(6,334,105)</u>
Net liabilities			<u>(6,624,961)</u>	<u>(6,334,105)</u>
Capital and reserves				
Called up share capital	13		100	100
Profit and loss account	14		(6,625,061)	(6,334,205)
			<u>(6,624,961)</u>	<u>(6,334,105)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

S R Collins
Director

10/12/2018

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

C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2016	100	(5,914,689)	(5,914,589)
Loss for the year	-	(419,516)	(419,516)
At 1 July 2017	100	(6,334,205)	(6,334,105)
Loss for the year	-	(290,856)	(290,856)
At 30 June 2018	100	(6,625,061)	(6,624,961)

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

C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. General information

C.G.I.S. Group (No.3) Intermediate Limited is a private company limited by shares and is incorporated in England. The address of its registered office is 10 Upper Berkeley, London, W1H 7PE, which is also its trading address. Its principal activity is property investment.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CGIS Group (No. 3) Limited as at 30 June 2017 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.7 Creditors

Short term creditors are measured at the transaction price.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.9 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of receivables

Management must exercise judgement when deciding whether to provide against receivables. All available information up to the date of approval of the financial statements is reviewed and assessed, and provisions made when management consider it more likely than not that recoverables will not be recovered.

4. Auditors' remuneration

The auditors' remuneration has been borne by its parent company, HDL Debenture Limited.

5. Employees

Other than the directors, the company employed no staff during the year (2017: Nil). None of the directors received any remuneration.

C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

6. Interest receivable and similar income

	2018 £	2017 £
Interest receivable from group companies	4,925	391,695
	<u>4,925</u>	<u>391,695</u>

7. Interest payable and similar expenses

	2018 £	2017 £
Interest payable to group companies	138,845	626,610
	<u>138,845</u>	<u>626,610</u>

8. Taxation

	2018 £	2017 £
Total current tax	-	-
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.75%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	(290,856)	(419,516)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.75%)	(55,263)	(82,854)
Effects of:		
Expenses not deductible for tax purposes	29,518	26,236
Group relief	25,745	56,618
Total tax charge for the year	<u>-</u>	<u>-</u>

There were no factors that may affect future tax charges.

C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2017	101
At 30 June 2018	<u>101</u>
Net book value	
At 30 June 2018	<u>101</u>
At 30 June 2017	<u>101</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Registered Office Address
HDL Debenture Limited	Ordinary	100 %	10 Upper Berkeley Street, London, W1H 7PE
C.G.I.S. Logistics (Holdings) Limited	Ordinary	100 %	10 Upper Berkeley Street, London, W1H 7PE

10. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	540,113	24,954,358
Other debtors	-	193,583
	<u>540,113</u>	<u>25,147,941</u>

11. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	2,595,117	3,692,974
	<u>2,595,117</u>	<u>3,692,974</u>

C.G.I.S. GROUP (NO. 3) INTERMEDIATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

12. Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	9,507,593	34,818,775
Other taxation and social security	251,481	132,332
Other creditors	1,218	224,014
	<u>9,760,292</u>	<u>35,175,121</u>

13. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

14. Reserves

Profit and loss account

The profit and loss account represents accumulated comprehensive income for the year and prior periods, less any dividends paid.

15. Related party transactions

Advantage has been taken by the company of the exemptions provided by Section 33.1A of FRS 102 not to disclose group transactions because it is a wholly owned subsidiary of a company preparing consolidated accounts.

Included in debtors/(creditors) are the following balances from related parties who are related by virtue of common directors.

	2018 £	2017 £
Related party debtors	-	193,583
Related party creditors	-	(209,013)
	<u>-</u>	<u>(15,430)</u>

16. Controlling party

The immediate holding company and ultimate parent company is CGIS Group (No. 3) Limited. This company is incorporated in England and Wales.

The smallest and largest group to prepare group financial statements in which the company is included in CGIS Group (No. 3) Limited.

The company is ultimately controlled by the directors.