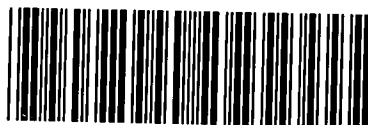


**C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2018**

TUESDAY



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**C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	T S Cole S R Collins M N Steinberg
<b>Registered number</b>	10252879
<b>Registered office</b>	10 Upper Berkeley Street London W1H 7PE
<b>Independent auditors</b>	haysmacintyre 10 Queen Street Place London EC4R 1AG

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**C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED**

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## C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

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

#### Principal activity

The company's principal activity is property investment through the ownership of its subsidiaries.

#### Results and dividends

The profit for the year, after taxation, amounted to £34,213,281 (2017 - loss £913,704).

During the year dividends of £33,000,000 were paid.

#### 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.

#### 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.

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**C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED**

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

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**Auditors**

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

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A 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

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## C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED

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#### Opinion

We have audited the financial statements of C.G.I.S. Group (Holdings No.2) Limited (the 'Company') for the year ended 30 June 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 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.

#### 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.

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## C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED (CONTINUED)

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#### 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### 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.

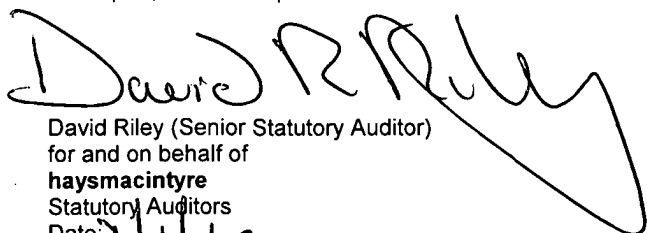
#### Auditors' responsibilities for the audit of the financial statements

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](http://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 shareholder 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 shareholder 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 shareholder 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 Auditors  
Date: 3/11/19

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**C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

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	2018 £	2017 £
Administrative expenses	(19,807)	(11,749)
Other operating income	370	-
<b>Operating loss</b>	<b>(19,437)</b>	<b>(11,749)</b>
Dividend income from group undertakings	34,374,790	-
Interest receivable and similar income	-	199,493
Interest payable and expenses	(142,072)	(1,101,448)
<b>Profit/(loss) before tax</b>	<b>34,213,281</b>	<b>(913,704)</b>
<b>Profit/(loss) for the financial year</b>	<b>34,213,281</b>	<b>(913,704)</b>

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.



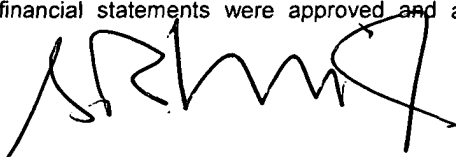
**C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED**  
**REGISTERED NUMBER: 10252879**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	7	115	115
		<u>115</u>	<u>115</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	4,278,466	11,741,080
Cash at bank and in hand		130,140	216,663
		<u>4,408,606</u>	<u>11,957,743</u>
Creditors: amounts falling due within one year	9	(4,109,143)	(4,950,682)
<b>Net current assets</b>		<u>299,463</u>	<u>7,007,061</u>
<b>Total assets less current liabilities</b>		<u>299,578</u>	<u>7,007,176</u>
Creditors: amounts falling due after more than one year	10	-	(7,920,879)
<b>Net assets/(liabilities)</b>		<u><u>299,578</u></u>	<u><u>(913,703)</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Profit and loss account		299,577	(913,704)
		<u><u>299,578</u></u>	<u><u>(913,703)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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.

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**C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED**

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

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	Called up share capital £	Profit and loss account £	Total equity £
<b>Comprehensive income for the period</b>			
Loss for the period	-	(913,704)	(913,704)
	<hr/>	<hr/>	<hr/>
Shares issued during the period	1	-	1
	<hr/>	<hr/>	<hr/>
<b>At 1 July 2017</b>	1	(913,704)	(913,703)
	<hr/>	<hr/>	<hr/>
Profit for the year	-	34,213,281	34,213,281
Dividends: Equity capital	-	(33,000,000)	(33,000,000)
	<hr/>	<hr/>	<hr/>
<b>At 30 June 2018</b>	1	299,577	299,578
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

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## C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED

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

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#### 1. General information

C.G.I.S. Group (Holdings No. 2) Limited is a private limited company limited by shares. It is registered in England and Wales, and its registered office is 10 Upper Berkeley Street, London, W1H 7PE. The company's principal activity is property investment through the ownership of its subsidiaries.

#### 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

##### 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 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like other debtors and creditors, loans from third parties, and loans to and from group undertakings.

Debt instruments (other than those wholly repayable or receivable within one year), including loans payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method

##### 2.6 Creditors

Short term creditors are measured at the transaction price.

##### 2.7 Finance costs on intercompany loans

Interest on intercompany loans is charged annually in arrears at a 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 charges is constrained to the funds available in that subsidiary company such that neither a gain or a loss arises in its financial statements.

##### 2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### 2.9 Interest income

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

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**C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED**

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

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**2. Accounting policies (continued)**

**2.10 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The directors do not consider there to be any material areas of critical estimate and judgement applicable to the financial statements.

**4. Auditors' remuneration**

The auditors' remuneration has been borne by a group company, C.G.I.S. Group Limited.

**5. Employees**

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

**6. Taxation**

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

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**C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED**

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

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**6. Taxation (continued)**

**Factors affecting tax charge for the year/period**

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

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	34,213,281	(913,704)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.75%)	6,500,523	(180,457)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	3,800	20
Capital allowances for year/period in excess of depreciation	-	180,437
Group relief	26,994	-
Group income	(6,531,210)	-
Deferred tax not recognised	(107)	-
<b>Total tax charge for the year/period</b>	<b>-</b>	<b>-</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**7. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 July 2017	115
At 30 June 2018	115
<b>Net book value</b>	
At 30 June 2018	115
At 30 June 2017	115

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**C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED**

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

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**7. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
CGIS Tudor Street Limited	Ordinary	100 %	Property investment
CGIS Herbal Hill Limited	Ordinary	100 %	Property investment
CGIS Holborn Hall Limited	Ordinary	100 %	Property Investment
CGIS Savoy Court Limited	Ordinary	100 %	Property Investment
CGIS Priory House Limited	Ordinary	100 %	Property Investment
CGIS Long Lane Limited	Ordinary	100 %	Property Investment
CGIS Goswell Road Limited	Ordinary	100 %	Property Investment
CGIS Capital House Limited	Ordinary	100 %	Property Investment
CGIS City Plaza Limited	Ordinary	100 %	Property Investment
CGIS Britton Street Limited	Ordinary	100 %	Property Investment
CGIS Bridgehouse Limited	Ordinary	100 %	Property Investment
CGIS Bayham Street limited	Ordinary	100 %	Property Investment
CGIS 85 Gracechurch Street Limited	Ordinary	100 %	Property Investment
Elentee Limited	Ordinary	100 %	Property Investment
CGIS (Westergate) Limited	Ordinary	100 %	Property Investment
RE Serviced Offices Limited	Ordinary	100 %	Property services
Lotra Limited*	Ordinary	100 %	Property Investment
CGIS (Bayham Street No1) Limited*	Ordinary	100 %	Property investment
CGIS (Bayham Street No2) Limited*	Ordinary	100 %	Property investment

\* - Held indirectly.

Each of the company's subsidiaries has a registered office of 10 Upper Berkeley Street, London, United Kingdom, W1H 7PE apart from RE Serviced Offices Limited which has a registered office of 3rd Floor 107 - 109 Great Portland Street, London, W1W 6QG.

**8. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	4,219,406	11,619,721
Amounts owed by related parties	59,060	-
Other debtors	-	121,359
	<b>4,278,466</b>	<b>11,741,080</b>

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**C.G.I.S. GROUP (HOLDINGS NO.2) LIMITED**

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

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**9. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Amounts owed to group undertakings	3,967,614	4,948,882
Amounts owed to related parties	868	-
Other taxation and social security	140,546	-
Other creditors	115	1,800
	<u>4,109,143</u>	<u>4,950,682</u>

**10. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Other loan	-	7,920,879
	<u>-</u>	<u>7,920,879</u>

**11. Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1.00 each	1	1
	<u>1</u>	<u>1</u>

**12. Related party transactions**

Included in debtors is a balance of £59,060 due from companies under common ultimate control. £20,000 was provided against balances due from these entities during the year. A balance of £868 is due to companies under common ultimate control and included in creditors.

**13. Controlling party**

The Company's immediate parent company is C.G.I.S. Group (Holdings) Limited. C.G.I.S. Group (Holdings) Limited is the only group company to prepare consolidated financial statements in which this company is included.