Registered number
07181421

SRE GS Holdco1 Limited

Annual report and financial statements

for the year ended
31 October 2011

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SRE GS Holdco1 Limited
Annual report and financial statements
for the year ended 31 October 2011
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SRE GS Holdco1 Limited
Company information
for the year ended 31 October 2011

Directors
Mr R J Livingstone
Mr T M Berrigan

Company secretary
Mr R N Luck

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Registered office
Quadrant House, Floor 6
4 Thomas More Square
London
E1W 1YW

Registered number
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SRE GS Holdco1 Limited
Directors' report for the year ended 31 October 2011

The directors present their report and the audited financial statements of the company for the year ended 31 October 2011

Principal activities
The company was incorporated on 8 March 2010 and acts as a holding company The directors consider the financial position at 31 October 2011 to be satisfactory

Results and dividends
The results for the financial period are set out in the profit and loss account on page 5 The directors do not recommend the payment of a dividend

Directors
The directors who held office during the year and up to the date of signing the financial statements are given below

Mr R J Livingstone
Mr T M Berrigan

Qualifying third party indemnity provisions
The company maintains liability insurance for its directors and officer Following shareholder approval, the company has also provided an indemnity for its directors and the company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006

Going concern
The company is reliant on SRE Hotels (George St) Limited Partnership for financial support The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the forseeable future The validity of this assumption depends on the on going support of SRE Hotels (George St) Limited Partnership Having made the relevant enquires, the directors consider it appropriate to prepare the financial statements on a going concern basis

Disclosure of information to auditors
Each person who was a director at the time this report was approved confirms that

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

Independent auditors
PricewaterhouseCoopers LLP were appointed as auditors during the period In the absence of a notice proposing that their appointment be terminated, PricewaterhouseCoopers LLP, are deemed to have been re-appointed as auditors for the next period

The report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006

By order of the board

Mr R N Luck
Company secretary
20 June 2012

SRE GS Holdco1 Limited
Statement of Directors' Responsibilities
for the year ended 31 October 2011

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 prepared 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 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 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

By order of the board

Mr R N Luck
Company secretary
20 June 2012

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SRE GS HOLDCO1 LIMITED

We have audited the financial statements of SRE GS Holdco1 Limited for the year ended 31 October 2011 which comprise the profit and loss account, the balance sheet 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)

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 Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 director, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual 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 31 October 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- 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 period 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
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report

Suzanne Woolfson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 June 2012

SRE GS Holdco1 Limited
Profit and loss account
for the year ended 31 October 2011

	Note	2011 £	8 months to 31 Oct 2010 £
Administrative expenses		(3,000)	-
Operating loss	2	(3,000)	-
Interest payable and similar charges	3	(2,427,683)	(816,778)
Loss on ordinary activities before taxation		(2,430,683)	(816,778)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year	10	(2,430,683)	(816,778)

All amounts relate to continuing operations

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented

There is no material difference between the loss on ordinary activities before taxation and the loss for the period stated above and their historical costs equivalents

SRE GS Holdco1 Limited
Balance sheet
as at 31 October 2011

Registered number
07181421

	Note		2011 £		2010 £
Fixed assets					
Investments	6		15,001		15,001
Current assets					
Debtors	7	15,731,405		17,731,405	
Creditors amounts falling due within one year	8	(18,993,866)		(18,563,183)	
Net current liabilities			(3,262,461)		(831,778)
Net liabilities			(3,247,460)		(816,777)
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account	10		(3,247,461)		(816,778)
Total shareholder's deficit	11		(3,247,460)		(816,777)

These financial statements were approved by the Board of Directors on 20 June 2012 and signed on its behalf by

Mr T M Berrigan
Director
20 June 2012

SRE GS Holdco1 Limited
Notes to the financial statements
for the year ended 31 October 2011

1 Accounting policies

Basis of preparation
These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom The principal accounting policies, which have been applied consistently throughout the period, are set out below

Going concern
The company is reliant on SRE Hotels (George St) Limited Partnership for financial support The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the forseeable future The validity of this assumption depends on the on going support of SRE Hotels (George St) Limited Partnership Having made the relevant enquires, the directors consider it appropriate to prepare the financial statements on a going concern basis

Cash flow statement
The company has taken advantage of the exemption in the Financial Reporting Standards No 1 (Revised 1996) 'Cash flow statements' from including a cash flow statement in the financial statements on the grounds that the company qualifies as small

Exemption from consolidation
The financial statements contain information about SRE GS Holdco1 Limited as an individual company and do not contain consolidated financial information as the parent of a group The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Strategic Real Estate Portfolios Plc, a company incorporated in Ireland

Fixed asset investments
Investments are recorded at cost plus incidental expenses less any provision for impairment Impairment reviews are performed by the director when there has been an indication of potential impairment or a change in circumstances which resulted in a previous impairment Any impairment arising is charged to the profit and loss account for the period

2 Operating loss

	2011 £	8 months to 31 Oct 2010 £
Operating loss is stated after charging		
Auditors' remuneration	3,000	-

3 Interest payable and similar charges

	2011 £	2010 £
On loans from group undertakings	2,427,683	816,778

4 Directors' emoluments

The directors did not receive any emoluments in respect of their services to the company The company has no employees other than the directors

5 Tax on loss on ordinary activities

No tax has been provided for due to no taxable profits arising in the period

Factors affecting tax charge for the period
The differences between the tax assessed for the period and the blended/standard rate of corporation tax are explained as follows

	2011	8 months to 31 Oct 2010
	£	£
Loss on ordinary activities before tax	(2,430,683)	(816,778)
Blended/standard rate of corporation tax in the UK	26 83%	28%
	£	£
Loss on ordinary activities multiplied by the blended/standard rate of corporation tax	(652,152)	(228,698)
Effects of:		
Expenses not deductible for tax purposes	327,940	-
Tax attributable from subsidiary	185,130	-
Losses carried forward	139,082	228,698
Current tax charge for the period	-	-

The company has carried forward tax losses amounting to £139,082 (2010 £228,698) which will be available to offset against future profits

Factors that may affect future tax charges
Reductions to the UK corporation tax rate were announced in the March 2012 Budget The changes, which were enacted with immediate effect, reduce the rate by 2% by 1 April 2012 and a further 1% per annum by 1 April 2014 These changes have no impact on these financial statements

6 Fixed asset investments

	Investments in subsidiary undertakings
	£
Cost	
At 1 November 2010 and 31 October 2011	15,001

The directors believe that the carrying value of the investments is supported by their underlying net assets

6 Fixed asset investments (continued)

The company holds an interest in the following subsidiaries

The interests held in limited companies are in ordinary share capital For the limited partnership, the interest held is in partnership capital

Company	Principal activity	Country of registration or incorporation	% of Interest held
SRE GS Holdco2 Limited	Holding company	England & Wales	100%
SRE Hotels (George St) Limited Partnership	Property Investment	England & Wales	100%*

*The company is only entitled to 99 7% of the share of income profits of the limited partnership However, it is entitled to 100% of the capital profits

At the period end, the company also had the following subsidiaries which are held indirectly

SRE GP1 Limited	General Partner of Limited Partnership	England & Wales	100%
SRE GP2 Limited	General Partner of Limited Partnership	England & Wales	100%

7 Debtors

	2011 £	2010 £
Amounts owed by group undertakings	15,731,405	17,731,405

Amounts owed by group undertakings are interest free, repayable on 31 March 2015, and unsecured

8 Creditors: amounts falling due within one year

	2011 £	2010 £
Amounts owed to group undertakings	18,990,866	18,563,183
Accruals and deferred income	3,000	-
	18,993,866	18,563,183

Amounts owed to group undertakings bear interest at 13 8075% per annum, repayable on 31 March 2015 and unsecured

9 Called up share capital

	2011 Number	2010 Number	2011 £	2010 £
Allotted and fully paid				
Ordinary shares of £1 each	1	1	1	1

On incorporation the company allotted 1 Ordinary share of £1 for £1

10 Profit and loss account

	2011 £	2010 £
At 1 November and 8 March 2010	(816,778)	-
Loss for the financial period	(2,430,683)	(816,778)
At 31 October	(3,247,461)	(816,778)

11 Reconciliation of movement in shareholder's deficit

	2011 £	2010 £
At 1 November and 8 March 2010	(816,777)	-
Loss for the financial period	(2,430,683)	(816,778)
Share issued	-	1
At 31 October	(3,247,460)	(816,777)

12 Related party transactions

During the prior period the company borrowed £17,746,405 from Strategic Investments Portfolio Limited (another subsidiary of SRE Portfolios Luxembourg Sarl) and £1 from SRE GS Holdco2 Limited (a direct subsidiary of the company), of which £15,001 was used to buy fixed asset investments (see note 5) and £17,731,405 was lent onto SRE Hotels (George St) Limited Partnership (see note 7) Interest of £816,778 was accrued to 31 October 2010

During the current year SRE Hotels (George St) Limited Partnership repaid £2,000,000 to the company Consequently £2,000,000 was repaid to Strategic Investments Portfolio Limited The loan from Strategic Investments Portfolio Limited has accrued interest payable of £2,427,683 during the year and hence at the year end £18,990,866 (2010 £18,563,183) was outstanding

13 Parent undertaking

The immediate parent undertaking is SRE Portfolios Luxembourg Sarl, a company incorporated and registered in Luxembourg

The ultimate parent undertaking is Strategic Real Estate Portfolios Plc, a company incorporated in Ireland

Strategic Real Estate Portfolios Plc is the only parent undertaking of the group of undertakings to consolidate these financial statements at 31 October 2011 The consolidated financial statements of Strategic Real Estate Portfolios Plc can be obtained from the company secretary at

Tudor Trust Limited
33 Sir John Rogerson's Quay
Dublin 2
Ireland

The ultimate controlling parties are I M Livingstone and R J Livingstone through their joint ownership of Strategic Real Estate Portfolios Plc