

Registered number
07181421

SRE GS Holdco1 Limited

Annual report and financial statements

for the year ended
31 October 2012

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SRE GS Holdco1 Limited
Annual report and financial statements
for the year ended 31 October 2012
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SRE GS Holdco1 Limited
Company information
for the year ended 31 October 2012

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 2012

The directors present their report and the audited financial statements of the company for the year ended 31 October 2012

Principal activities

The company acts as a holding company. The directors consider the financial position at 31 October 2012 to be satisfactory.

Results and dividends

The results for the financial year 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

Charitable and political donations

During the year there were no charitable or political donations made.

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 foreseeable future. The validity of this assumption depends on the on-going support of SRE Hotels (George St) Limited Partnership. Having made the relevant enquiries, the directors consider appropriate to prepare the financial statements on a going concern basis.

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.

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 year. 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 year.

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

26/5/2013

SRE GS Holdco1 Limited
Statement of Directors' Responsibilities
for the year ended 31 October 2012

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
20/5/2013

SRE GS Holdco1 Limited
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 2012 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 as set out on page 3, 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 2012 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

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
- 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 May 2013

SRE GS Holdco1 Limited
Profit and loss account
for the year ended 31 October 2012

	Note	2012 £	2011 £
Administrative expenses		(2,145)	(3,000)
Operating loss	2	<u>(2,145)</u>	<u>(3,000)</u>
Interest payable and similar charges	3	(2,629,349)	(2,427,683)
Loss on ordinary activities before taxation		<u>(2,631,494)</u>	<u>(2,430,683)</u>
Tax on loss on ordinary activities	5	-	-
Loss for the financial year	10	<u>(2,631,494)</u>	<u>(2,430,683)</u>

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 year stated above and their historical costs equivalents

SRE GS Holdco1 Limited
Balance sheet
as at 31 October 2012

Registered number
07181421

	Note	2012 £	2011 £
Fixed assets			
Investments	6	15,001	15,001
Current assets			
Debtors	7	15,727,805	15,731,405
Creditors amounts falling due within one year	8	<u>(21,621,760)</u>	<u>(18,993,866)</u>
Net current liabilities		(5,893,955)	(3,262,461)
Net liabilities		<u>(5,878,954)</u>	<u>(3,247,460)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	(5,878,955)	(3,247,461)
Total shareholder's deficit	11	<u>(5,878,954)</u>	<u>(3,247,460)</u>

These financial statements on pages 5 to 10 were approved by the Board of Directors on 20 May 2013 and signed on its behalf by


 Mr T M Berrigan
 Director
20 May 2013

SRE GS Holdco1 Limited
Notes to the financial statements
for the year ended 31 October 2012

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 year, 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 foreseeable 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	2012	2011
	£	£
Operating loss is stated after charging		
Auditors' remuneration	2,145	3,000
3 Interest payable and similar charges	2012	2011
	£	£
On loans from group undertakings	2,629,349	2,427,683

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.

SRE GS Holdco1 Limited
Notes to the financial statements
for the year ended 31 October 2012

5 Tax on loss on ordinary activities

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

Factors affecting tax charge for the year

From 1 April 12 the rate of corporation tax has reduced from 26% to 24%, giving a blended average rate for the period of 24.83%

The tax assessed for the year is different than the blended rate of corporation tax in the UK of 24.83%. The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	(2,631,494)	(2,430,683)
Blended rate of corporation tax in the UK	24.83%	26.83%
	£	£
Loss on ordinary activities multiplied by the blended rate of corporation tax	(653,400)	(652,152)
Effects of.		
Expenses not deductible for tax purposes	353,568	327,940
Worldwide debt cap disallowance	409,722	-
Tax attributable from subsidiary	295,476	185,130
Losses carried forward	-	139,082
Utilisation of losses	(405,366)	-
Current tax charge for the year	<u>-</u>	<u>-</u>

During the year the company has utilised tax losses from group undertakings amounting to £405,366 to offset against current tax profits

In the previous year the company carried forward tax losses amounting to £139,082 which were utilised against current tax profits

Factors that may affect future tax charges

Reductions to the UK corporation tax rate were announced in the March 2013 Budget. The changes, which are yet to become law, reduce the rate by 1% by 1 April 2013, a further 2% by 1 April 2014 and by a further 1% to 20% by 1 April 2015. These changes have no impact on these financial statements.

6 Fixed asset investments

**Investments in
subsidiary
undertakings
£**

Cost

At 1 November 2011 and 31 October 2012

15,001

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

SRE GS Holdco1 Limited
Notes to the financial statements
for the year ended 31 October 2012

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 year 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

	2012	2011
	£	£
Amounts owed by group undertakings	<u>15,727,805</u>	<u>15,731,405</u>

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

8 Creditors' amounts falling due within one year

	2012	2011
	£	£
Amounts owed to group undertakings	21,620,215	18,990,866
Accruals and deferred income	1,545	3,000
	<u>21,621,760</u>	<u>18,993,866</u>

Amounts owed to group undertakings bear interest at 13.8075% per annum, repayable on 31 March 2015 and unsecured

SRE GS Holdco1 Limited
Notes to the financial statements
for the year ended 31 October 2012

9 Called up share capital

	2012 Number	2011 Number	2012 £	2011 £
Allotted and fully paid Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

10 Profit and loss account

	2012 £	2011 £
At 1 November	(3,247,461)	(816,778)
Loss for the financial year	(2,631,494)	(2,430,683)
At 31 October	<u>(5,878,955)</u>	<u>(3,247,461)</u>

11 Reconciliation of movements in shareholder's deficit

	2012 £	2011 £
At 1 November	(3,247,460)	(816,777)
Loss for the financial year	(2,631,494)	(2,430,683)
At 31 October	<u>(5,878,954)</u>	<u>(3,247,460)</u>

12 Related party transactions

During the year SRE Hotels (George St) Limited Partnership (see note 7) repaid £3,600 such that the outstanding balance owed to the company was £15,727,805 (2011 £15,731,405)

The loan from Strategic Investments Portfolio Limited has accrued interest payable of £2,629,349 during the year and hence at the year end £21,620,215 (2011 £18,990,866) 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 2012. 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