

Company Registration No. 07292290 (England and Wales)

SRE CUMBERLAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018



SRE CUMBERLAND LIMITED

COMPANY INFORMATION

Directors	Mr R J Livingstone Mr L Sebastian
Company number	07292290
Registered office	Quadrant House, Floor 6 4 Thomas More Square London E1W 1YW
Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

SRE CUMBERLAND LIMITED

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SRE CUMBERLAND LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

The directors present their report and audited financial statements for the year ended 31 October 2018.

Principal activities

The principal activity of the company continued to be that of a holding company.

Directors

The directors who held office during the year and/or up to the date of signature of the financial statements were as follows:

Mr R J Livingstone

Mr R N Luck

Mr L Sebastian

(Resigned 30 May 2018)

(Appointed 30 May 2018)

Results and dividends

The results for the year are set out on page 6.

The directors consider the financial position and future prospects at 31 October 2018 to be satisfactory.

The directors do not recommend the payment of a dividend (2017: £nil).

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Independent Auditors

The Independent Auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure of information to Auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

The SREP Holdings Ltd group was restructured on 2 April 2019 and the ultimate parent of the company is now London and Regional Group Properties Ltd.

Small companies exemption

The Directors' Report has been prepared in accordance with the special provisions relating to small companies within s414B of the Companies Act 2006 and the company is therefore exempt from the requirement to prepare a Strategic Report.

On behalf of the board



Mr L Sebastian

Director

31 July 2019

SRE CUMBERLAND LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2018

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

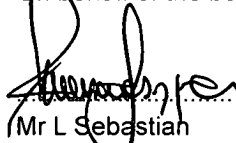
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The directors 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.

On behalf of the board


Mr L Sebastian
Director
31 July 2019

SRE CUMBERLAND LIMITED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SRE CUMBERLAND LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, SRE Cumberland Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 October 2018; the statement of comprehensive income and, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

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

SRE CUMBERLAND LIMITED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SRE CUMBERLAND LIMITED (CONTINUED)

Reporting on other information (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 October 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

**SRE CUMBERLAND LIMITED
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SRE CUMBERLAND LIMITED (CONTINUED)**

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Suzanne Woolfson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

3 / July 2019

SRE CUMBERLAND LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2018

		2018	2017
	Note	£	£
Administrative expenses		(4,572)	(10,035)
Operating loss	3	(4,572)	(10,035)
Interest receivable and similar income	5	68,678	67,663
Profit on ordinary activities before taxation		64,106	57,628
Tax on profit on ordinary activities	6	-	-
Profit for the financial year		64,106	57,628
Other comprehensive income		-	-
Total comprehensive income for the financial year		64,106	57,628

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

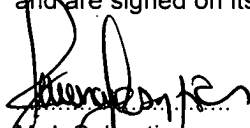
SRE CUMBERLAND LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2018

	Note	2018 £	£	2017 £	£
Fixed assets					
Investments	7		245		245
Current assets					
Debtors	8	5,447,219		5,378,541	
Creditors: amounts falling due within one year	9	<u>(24,779)</u>		<u>(20,207)</u>	
Net current assets			5,422,440		5,358,334
Total assets less current liabilities			5,422,685		5,358,579
Net assets			<u>5,422,685</u>		<u>5,358,579</u>
Capital and reserves					
Called up share capital	10		1		1
Retained earnings			5,422,684		5,358,578
Total equity			<u>5,422,685</u>		<u>5,358,579</u>

The financial statements were approved by the board of directors and authorised for issue on 31 July 2019 and are signed on its behalf by:


Mr L Sebastian
Director

Company Registration No. 07292290

SRE CUMBERLAND LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2018

	Called up share capital £	Retained earnings £	Total £
Balance at 1 November 2016	1	5,300,950	5,300,951
Profit and total comprehensive income for the financial year	-	57,628	57,628
Balance at 31 October 2017	1	5,358,578	5,358,579
Profit and total comprehensive income for the financial year	-	64,106	64,106
Balance at 31 October 2018	1	5,422,684	5,422,685

SRE CUMBERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

General information

SRE Cumberland Limited is a private company limited by shares incorporated in England and Wales. The registered office is Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW.

1.1 Statement of compliance

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

1.2 Accounting convention

The financial statements have been prepared on a going concern basis and under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The company has taken advantage of the exemption from preparing a statement of cash flows available to small companies reporting under section 1A of FRS102 and paragraph 7.1(b).

1.3 Investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.4 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

SRE CUMBERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.5 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Recoverability of amounts due from group undertakings

The company makes an estimate of the recoverable value of the amounts due from group undertakings and joint ventures. When carrying out the assessment directors consider factors including the aging profile of the outstanding amounts, historic experience and performance of debtors' business.

Impairment of investments

The company makes an estimate of the recoverable value of its investments. Where an indication of impairment is identified the estimation of the recoverable value is made by reference to the estimated future cash flows from the investment and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

SRE CUMBERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

3 Operating loss

	2018	2017
	£	£
Operating loss for the year is stated after charging:		
Fees payable to the company's Independent Auditors for the audit of the company's financial statements	1,910	1,820
	<u> </u>	<u> </u>

4 Directors' remuneration

The directors did not receive any emoluments in respect of their services to the company (2017: £nil). The company has no employees other than the directors (2017: none).

5 Interest receivable and similar income

	2018	2017
	£	£
Interest receivable from group companies	68,678	67,663
	<u> </u>	<u> </u>

SRE CUMBERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

6 Tax on profit on ordinary activities

No tax has been provided for due to there being no taxable profits in the year (2017: £nil).

Factors affecting tax result for the year

From 1 April 2017 the rate of corporation tax has reduced from 20% to 19%, giving a blended average rate for the prior year of 19.42%. The corporation tax rate for the year ended 31 October 2018 is 19%.

The actual result for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit on ordinary activities before taxation	64,106	57,628
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.42%)	12,180	11,191
Tax attributable from joint ventures	(328,340)	(456,014)
Surrender of tax losses	316,160	444,823
Tax result for the year	-	-

In the current year the company surrendered tax losses of £1,664,000 to fellow subsidiary undertakings without payment. In the prior year the company surrendered tax losses of £2,290,537 to fellow subsidiary undertakings without payment.

Factors that may affect future tax charges

With effect from 1 April 2020, the UK corporation tax rate will be reduced to 17%. This change, which was announced in the March 2015 budget and affirmed in the March 2016 budget, will have no significant impact on these financial statements.

7 Investments

	2018 £	2017 £
Investments	245	245

The company holds a 50% interest in the income of The Pike Investment Partnership LP, a partnership established in Jersey, whose principal activity is to hold interests in the Pike Investment Trust whose principal activity is property investment. The partnership's registered address is 13 Castle Street, St Helier, Jersey, JE4 SUT.

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

8 Debtors

	2018 £	2017 £
Amounts due from group undertakings	5,447,219	5,378,541

SRE CUMBERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

8 Debtors

(Continued)

Included within amounts due from group undertakings are amounts due from joint ventures of £800,000 (2017: £800,000) which are interest free, unsecured and repayable from proceeds of the sale of The Pike Investment Trust or its property.

All other outstanding amounts due from group undertakings are repayable on demand, unsecured and bear interest at 1.5% per annum.

9 Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts due to group undertakings	17,573	12,923
Accruals and deferred income	7,206	7,284
	<u>24,779</u>	<u>20,207</u>

Amounts due to fellow group undertakings are interest free, unsecured, and repayable on demand.

10 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid 1 (2017: 1) ordinary share of £1	<u>1</u>	<u>1</u>

SRE CUMBERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

11 Related party transactions

As the company is a wholly owned subsidiary of SREP Holdings Limited, the company has taken advantage of the exemption under section 33.1A of FRS102 from disclosing transactions or balances with entities which form part of the group.

12 Parent company

The immediate parent undertaking is SRE Hotel Holdings Sarl, a company incorporated and registered in Luxembourg.

The ultimate parent undertaking is SREP Holdings Limited, a company incorporated in England and Wales.

SREP Holdings Limited is the smallest and largest group of undertakings to consolidate these financial statements as at 31 October 2018. The consolidated financial statements of SREP Holdings Limited can be obtained from the company secretary at:

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

The ultimate controlling parties are I M Livingstone and R J Livingstone through their joint ownership of SREP Holdings Limited.

13 Post balance sheet events

The SREP Holdings Ltd group was restructured on 2 April 2019 and the ultimate parent of the company is now London and Regional Group Properties Ltd.