

CentreSoft Limited

**Annual report and financial statements
for the year ended 31 December 2014**

Registered number: 1673860

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CentreSoft Limited

Annual report and financial statements for the year ended 31 December 2014

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CentreSoft Limited

Strategic report for the year ended 31 December 2014

The directors present their Strategic report for the year ended 31 December 2014.

Principal activities

The Company is principally engaged in the distribution of entertainment software, games consoles, low cost business software and peripherals and the provision of distribution services to publishers of computer games.

Strategy

The company's overriding objective is to achieve sustainable rates of growth through retaining and attracting key publishers and retailers by offering premium service levels at market sustainable prices. During financial year 2015 the directors expect to consolidate their market position and continue trading profitably.

Business environment

The twelve months ending 31 December 2014 continued to prove to be a tough trading environment. During the recent years of economic adversity the strength of the balance sheet, in particular the strong cash position ensured that CentreSoft were able maintain our market share and, through investment, position ourselves to benefit from the economic recovery.

Business review and key performance indicators ("KPI's")

The profit for the financial year amounted to £6,453,000 (year ended 31 December 2013: £5,024,000). The net assets at 31 December 2014 were £49,779,000 (31 December 2013: £42,326,000).

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
Increase in sales	20.39%	5.75%
Gross margin (%)	6.78%	7.45%
Return on capital employed (ROCE)	16.15%	15.60%

The company has seen an increase in sales in the year ended 31 December 2014. This was attributable to maintaining key contracts with both publishers and retailers and also due to the launch of 'next generation' consoles at the end of 2013. The directors have identified that in order to maintain profitability it was key to focus on margin mix. The year ended 31 December 2014 has seen a decrease in the gross margin % and this is attributable to the dilutive impact of the margin mix. Whilst there has been a decrease in the gross margin %, the increased sales and the control of overhead expenditure has resulted in an increase in operating profit as can be seen in the profit and loss account. ROCE has increased slightly which can be attributed to the investment made in prior periods in order to position the company to benefit from both the economic recovery and the positive impact seen in the market from the launch of the 'next generation' consoles.

CentreSoft Limited

Strategic report for the year ended 31 December 2014 (continued)

Future outlook

A number of measures are in hand to ensure the company's performance continues to be strong. In a highly competitive market the directors recognise that the continuing success of the company is due largely to the people who work within it as detailed in the 'Employee' section of the Directors' report.

In line with the strategy of the company the Directors will look to maintain relationships with key publishers and retailers and, where opportunities arise, look to establish new relationships.

The launch of the 'next generation' consoles at the end of 2013 has generated a positive impact on the gaming market. It is envisaged that the 'next generation' consoles will continue to have a positive impact on the company and the market as a whole in 2015.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The Board reviews risks formally and appropriate processes are put in place to monitor and mitigate them. The business model takes limited risk in respect of product obsolescence's and gets limited reward. The key risks affecting the company are set out below:

Competition

The company operates in a highly competitive market particularly around price and quality of service. This results not only in downward pressure on our margins but also in the risk that we will not meet our customer's expectations. In order to mitigate the risk a series of performance indicators are measured to ensure level of service and our sales team monitor market prices on an ongoing basis.

Employee

The Company's performance depends largely on the skills of its staff. The resignation of key staff and the inability to recruit people with the right experience could adversely impact the company's performance. To mitigate these issues long-term incentives are in place to retain and attract key individuals and a number of initiatives are in place to ensure the company is a "great place to work". Given the current financial position of the group, financial risk is not seen as a principal risk. This area is continually monitored and evaluated by management.

Financial Risk Management

The company's operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not have any debt finance at 31 December 2014 (31 December 2013: none).

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

CentreSoft Limited

Strategic report

for the year ended 31 December 2014 (continued)

Credit risk


The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed monthly by the Board.

Liquidity risk

Due to the strength of the balance sheet and the strong cash position the company does not utilise any debt finance. The Board perform monthly reviews to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

The company has interest-bearing assets, these assets include only cash balances, all of which earn interest at fixed rate. The company has a policy of maintaining short term deposits and cash balances at a level sufficient to fund its operations. The directors will revisit the appropriateness of this policy should the company's operations or cash balances change in size or nature.



Damian O'Sullivan
Company secretary
01 April 2015

CentreSoft Limited

Directors' report for the year ended 31 December 2014

The directors present their report and audited financial statements for the year ended 31 December 2014.

Future developments

The Company expects to maintain its market share and profitability by maintaining strong trading relationships with key publishers and retailers as outlined in the Strategic report on pages 1 to 3.

Political and charitable contributions

The Company made £13,645 charitable donations during the year (year ended 31 December 2013: £11,060) and no political contributions during the year (year ended 31 December 2013: £nil).

Directors

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

R Kotick	D Neal
I Mattingly	D O'Sullivan
C Walther (resigned 17 June 2014)	M Pearson

As a wholly owned subsidiary of Activision Blizzard, Inc., CentreSoft Limited is exempt from disclosure of transactions and balances with other group companies. There are no other related party transactions in the year which would require disclosure as required by FRS 8 "Related party disclosures"

Employment of disabled persons

Where individuals become disabled whilst in the Company's employment, every reasonable effort is made to provide opportunity for continued employment within the potential aptitude and ability of the person concerned and to provide such facilities, including any appropriate training, as may be necessary for that purpose. In dealing with applications for employment and the training, career development and promotion of existing employees, efforts are made to ensure that a disabled individual's potential aptitude and ability are considered both without prejudice and as constructively as possible in relation to the opportunities available.

Employee consultation

The Company recognises that training and free flow of communications are the key elements in involving all employees, to get the best out of them at all levels in the business and in making those improvements in performance which will advance its international competitiveness. Frequent briefings continue to enable employees to understand more about the business and about the essential part they have to play in its success.

Equal opportunities

The Company is committed to providing equal opportunities in employment regardless of sex, marital status, creed, colour, race, age, nationality or ethnic origin. This applies to recruitment, training, promotion and all other aspects of employment. Only in this way can the Company deploy its personnel to best effect, for the benefit of the business and its employees alike.

CentreSoft Limited

Directors' report for the year ended 31 December 2014 (continued)

Dividends

No dividends were paid in the year (year ended 31 December 2013: nil), and the net increase in shareholders funds of £6,453,000 (year ended 31 December 2013: £5,024,000) has been transferred to reserves.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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.

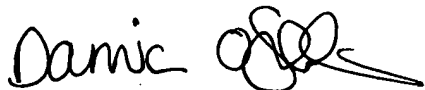
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Statement of disclosure of information to auditors

Each person who is a director at the date of approval of this report confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.



Damian O'Sullivan
Company secretary
01 April 2015

CentreSoft Limited

Independent auditors' report to the members of CentreSoft Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by CentreSoft Limited, comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CentreSoft Limited

Independent auditors' report to the members of CentreSoft Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Director's Responsibilities set out on page 5, 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 ISAs (UK & 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.



Jas Khela (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
02 April 2015

CentreSoft Limited

Profit and loss account for the year ended 31 December 2014

	Note	Year ended 31 Dec 2014	Year ended 31 Dec 2013
		£'000	£'000
Turnover	2	263,267	218,676
Cost of sales		(245,424)	(202,380)
Gross profit		17,843	16,296
Distribution costs		(4,576)	(4,942)
Administrative expenses		(5,230)	(4,596)
Operating profit	3	8,037	6,758
Interest receivable and similar income	6	13	22
Interest payable and similar charges	7	(140)	(206)
Profit on ordinary activities before taxation		7,910	6,574
Tax on profit on ordinary activities	8	(1,457)	(1,550)
Profit for the financial year	16	6,453	5,024

All of the above results are in respect of continuing activities for the current and prior year.

There is no difference between the profits on ordinary activities before taxation and the profits for the years and their historical cost equivalents.

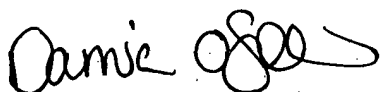
CentreSoft Limited has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

CentreSoft Limited

Balance sheet as at 31 December 2014

		31 Dec 2014	31 Dec 2013
	Note	£'000	£'000
Fixed assets			
Tangible assets	10	1,117	1,572
Investments	9	-	-
		1,117	1,572
Current assets			
Stock	11	14,905	9,342
Debtors	12	53,517	45,272
Cash at bank and in hand		67,363	67,070
		135,785	121,684
Creditors: amounts falling due within one year	13	(87,123)	(79,930)
Net current assets		48,662	41,754
Total assets less current liabilities		49,779	43,326
Net assets		49,779	43,326
Capital and reserves			
Called up share capital	15	18	18
Capital redemption reserve	16	2	2
Profit and loss account	16	49,759	43,306
Total shareholders' funds	17	49,779	43,326

The financial statements on pages 8-22 were approved by the Board of directors on 01 April 2015 and were signed on its behalf by:



Damian O'Sullivan
Director

CentreSoft Limited

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable UK accounting standards, Companies Act 2006 and under the historical cost accounting convention.

The company is a wholly-owned subsidiary of Activision Blizzard, Inc., and is included in the consolidated financial statements of Activision Blizzard, Inc., which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

Under Financial Reporting Standard 1 (revised 1996) "Cash flow statements" the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements, which themselves include a cash flow statement and which are publicly available.

Going concern

The Directors consider that the Company has adequate resources to continue in business for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

Related parties

As the Company is a wholly owned subsidiary of Activision Blizzard, Inc. the Company has taken advantage of the exemption contained in FRS 8 "Related party disclosures" and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Activision Blizzard, Inc., within which this company is included, can be obtained from the address given in note 21.

Tangible fixed assets and depreciation

Tangible fixed assets are valued at historic purchase cost less accumulated depreciation. Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives, except for motor vehicles which are depreciated on a reducing balance basis as follows:

Fixture and fittings	6.67% to 50% per annum
Computer equipment	20% to 33.33% per annum
Leasehold alterations and improvements	20% per annum
Motor vehicles	25% per annum

CentreSoft Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Leases

Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Fixed asset investments

Fixed asset investments are included at cost less any provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is calculated at expected selling price, less expected selling cost. Provision is made for obsolete, slow moving and defective stocks based upon stock held in excess of agreed returns levels negotiated with or commonly offered by suppliers. The total provision is netted against stock in the balance sheet. Stocks held on consignment on behalf of third parties are not included in the balance sheet.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more taxation in the future or a right to pay less taxation in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred taxation is measured at the average taxation rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on taxation rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred taxation is measured on a non-discounted basis.

Post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting year.

CentreSoft Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Accounting policies (continued)

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT, trade discounts and returns. Revenue is recognised when our performance obligations have been fulfilled and the risk and rewards of ownership have passed to the customer, which is deemed to be at the point of delivery to the customer.

Creditors

Trade creditors include amounts due in respect of trade rebates.

Share based payments

All employees with share based payments have their contracts of employments with Combined Distribution (Holdings) Limited and so it is deemed appropriate to disclose share based payments within the financial statements of Combined Distribution (Holdings) Limited.

2 Turnover

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£'000	£'000
United Kingdom	244,328	207,118
Other European Union countries	13,301	5,294
Other	5,638	6,264
	263,267	218,676

Turnover originates from operations in the United Kingdom. In the opinion of the directors the activities of the Company represent one class of business.

CentreSoft Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

3 Operating profit

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£'000	£'000
Operating profit is stated after charging:		
Auditors' remuneration:		
Audit	66	57
Taxation services	6	6
Depreciation of owned tangible fixed assets	824	929
Rentals payable under operating leases:		
Plant and machinery	80	93
Other assets	412	412
Gain on disposal of tangible fixed assets	(11)	(6)

4 Remuneration of directors

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£'000	£'000
Aggregate emoluments	420	412
Company contributions to money purchase pension schemes	49	47
Share option recharge	1,123	242
	1,592	701

The emoluments of the highest paid director were £206,932 (year ended 31 December 2013: £207,386), amounts receivable under long term incentive schemes were £904,360 (year ended 31 December 2013: £120,390) and Company pension contributions of £23,363 (year ended 31 December 2013: £22,556) were made to a money purchase scheme on his behalf.

Retirement benefits were accruing for 3 directors under money purchase schemes at the year ending 31 December 2014 (year ended 31 December 2013: 3)

CentreSoft Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

5 Staff numbers and costs

The monthly average number of persons employed by, or charged to the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	Year ended 31 Dec 2014	Year ended 31 Dec 2013
Warehouse and computer operations	52	52
Selling and distribution	56	53
Administration	34	34
	142	139

The aggregate payroll costs of these persons were as follows:

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£'000	£'000
Wages and salaries	4,507	4,446
Social security costs	477	465
Other pension costs (note 20)	237	196
Share option recharge	1,233	382
	6,454	5,489

6 Interest receivable and similar income

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£'000	£'000
Bank interest	13	16
Exchange gain	-	6
	13	22

CentreSoft Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

7 Interest payable and similar charges

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£'000	£'000
Bank charges	134	205
Other interest	1	1
Exchange loss	5	-
	140	206

8 Tax on profit on ordinary activities

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£'000	£'000
Current tax		
UK corporation tax on profits of the year	1,689	1,614
Adjustment in respect of prior years	(163)	10
Total current tax	1,526	1,624
Deferred tax		
Deferred tax (note 14)	(69)	(74)
Total tax on profit on ordinary activities	1,457	1,550

CentreSoft Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 Tax on profit on ordinary activities (continued)

The taxation assessed for the year is lower (year ended 31 December 2013: higher) than the standard rate of corporation taxation in the UK of 21.5% (year ended 31 December 2013: 23.25%). The differences are explained below:

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
Reconciliation of actual taxation charge to expected taxation charge	£'000	£'000
Profit on ordinary activities before taxation	7,910	6,574
Profits on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (year ended 31 December 2013: 23.25%)	1,701	1,528
Expenses not deductible for taxation purposes	245	65
Capital allowances in excess of depreciation	65	78
Group relief claimed	(322)	(57)
Adjustment in respect of prior years	(163)	10
Total current tax charge	1,526	1,624

Factors affecting future tax charge

The Finance Act 2013 included legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. The relevant deferred tax balances at 31 December 2014 have been re-measured accordingly.

CentreSoft Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

9 Fixed asset investments

Shares in
group
undertakings

£'000

Cost and net book value

At 1 January 2014 and 31 December 2014

-

Investments comprise investments in subsidiary undertakings, all stated at cost, less provisions for any impairment.

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

At 31 December 2014 the Company had interest in the following subsidiary undertakings:

	Country of corporation	Principal activity	Class and percentage of shares held	Capital and reserves £'000	Profit/(loss) for the financial period £'000
PDQ Distribution Limited	England and Wales	Provision of distribution services to software publishers	Ordinary 100%	6,536	(60)
Advantage Distribution Limited	England and Wales	Dormant	Ordinary 100%	1	-

CentreSoft Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 Tangible fixed assets

	Motor vehicles	Computer equipment	Fixtures and fittings	Leasehold alterations and impro- vements	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2014	587	126	2,533	514	3,760
Additions	298	32	160	5	495
Disposals	(286)	-	-	-	(286)
At 31 December 2014	599	158	2,693	519	3,969
Accumulated depreciation					
At 1 January 2014	220	89	1,573	306	2,188
Charge for year	124	36	576	88	824
Disposals	(160)	-	-	-	(160)
At 31 December 2014	184	125	2,149	394	2,852
Net book amount					
At 31 December 2014	415	33	544	125	1,117
At 31 December 2013	367	37	960	208	1,572

11 Stocks

	31 Dec 2014	31 Dec 2013
	£'000	£'000
Finished goods and goods for resale	14,905	9,342

CentreSoft Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

12 Debtors

	31 Dec 2014	31 Dec 2013
	£'000	£'000
Trade debtors	41,461	32,285
Amounts owed by group undertakings	11,117	12,163
Prepayments and accrued income	382	336
Deferred tax asset (note 14)	557	488
	53,517	45,272

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

13 Creditors: amounts falling due within one year

	31 Dec 2014	31 Dec 2013
	£'000	£'000
Trade creditors	72,818	65,900
Amounts owed to group undertakings	8,240	10,036
Other creditors	2,415	111
Corporation taxation	725	891
Accruals and deferred income	2,925	2,992
	87,123	79,930

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

CentreSoft Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

14 Deferred tax asset

	31 Dec 2014	31 Dec 2013
	£'000	£'000
Accelerated capital allowances	557	488
Total deferred tax	557	488

	31 Dec 2014
	£'000
At start of year	488
Deferred tax credit in profit and loss account for year (note 8)	69
At end of year	557

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the full asset has been recognised in these financial statements. All of the deferred tax asset relates to excess of capital allowances over depreciation.

15 Called up share capital

	31 Dec 2014	31 Dec 2013
	£'000	£'000
Authorised		
Equity: 50,000 (2013: 50,000) ordinary shares of £1 each	50	50
Allotted and fully paid		
Equity: 17,862 (2013: 17,862) ordinary shares of £1 each	18	18

CentreSoft Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

16 Reserves

	Capital redemption reserve	Profit and loss account
	£'000	£'000
At 1 January 2014	2	43,306
Profit for the financial year	-	6,453
At 31 December 2014	2	49,759

17 Reconciliation of movements in total shareholders' funds

	31 Dec 2014	31 Dec 2013
	£'000	£'000
Profit for the financial year	6,453	5,024
Net increase to shareholders' funds	6,453	5,024
Opening shareholders' funds	43,326	38,302
Closing shareholders' funds	49,779	43,326

18 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	31 Dec 2014		31 Dec 2013	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Operating leases which expire:				
In one year or less	-	18	-	23
In two to five years	424	15	424	21
More than five year	-	-	-	7
	424	33	424	51

CentreSoft Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

19 Contingent liabilities

There were no contingent liabilities at 31 December 2014 (31 December 2013: £nil).

20 Pension scheme

The Company operates a defined contribution pension scheme. The pension charge for the year represents contributions payable by the Company to the fund and amounted to £237,000 (year ended 31 December 2013: £196,000) see note 5.

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

21 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Combined Distribution (Holdings) Limited. A company incorporated in England and Wales.

The ultimate parent undertaking and controlling party is Activision Blizzard, Inc., which is also the parent undertaking of the largest group in which the results of the company are consolidated. The consolidated financial statements of Activision Blizzard, Inc., which include the results of the company, are publicly available and may be obtained from Activision Blizzard, Inc., 3100 Ocean Park Boulevard, Santa Monica, California, 90405, USA.