Registered number: 02084396

# CENTRO EUROPE LIMITED

## ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

## CONTENTS

## COMPANY INFORMATION

| | |
|---|---|
| **DIRECTORS** | L Benzine (resigned 28 April 2020)<br>O Bossard (appointed 27 April 2021)<br>A Burlin (appointed 3 February 2021)<br>O J-M P Coutin (resigned 3 February 2021)<br>M C Dessolain (resigned 3 February 2021)<br>T Jackson (resigned 16 July 2020)<br>D Léveillé-Nizerolle (resigned 27 April 2021)<br>A A Orlandi<br>C Maher (appointed 28 April 2020)<br>M Peel (appointed 16 July 2020)<br>R Vogelaar |
| **COMPANY SECRETARY** | O J-M P Coutin (resigned 3 February 2021) |
| **REGISTERED NUMBER** | 02084396 |
| **REGISTERED OFFICE** | 1 Ariel Way<br>London<br>W12 7SL<br>United Kingdom |
| **INDEPENDENT AUDITORS** | Ernst & Young LLP<br>Statutory Auditor |

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present the Strategic Report for CentrO Europe Limited (the "Company") for the year ended 31 December 2020.

### BUSINESS REVIEW

The principal activity of the Company is the ownership of entities that own the Centro shopping centre mall asset in Oberhausen, Germany.

The loss for the year after taxation is £63,517 compared to £22,927 in 2019.

The main key performance indicator is compliance with the relevant tax and legal requirements.

Based on the above, the Directors consider the results for the year to be satisfactory.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Company has investments in companies that specialise in retail property. Therefore the principal risks to the Company relate to fluctuations in yields of retail property investments arising from macro-economic factors. Through its management strategy the Company endeavours to mitigate these risks as far as possible.

The Directors have considered the risk of COVID-19 on the Company and note that the impact principally relates to the performance of the shopping centre mall asset owned by Neue Mitte Oberhausen Projektentwicklung Verwaltungs Ltd & Co KG which is an indirect subsidiary undertaking of the entity. The principal impact on the shopping centre business has been the deferral or recovery of revenues from tenants who are suffering financial distress, many of whom were unable to open their stores in the mall from 8 March 2020 to 11 May 2020 and again from 16 December 2020 to 28 May 2021. This issue was exacerbated by the change in German law which allowed tenants to defer payment of their Q2/2020 rentals until June 2022. The impact on the Company itself is considered to be negligible as activity and costs remain broadly unchanged since the start of the pandemic, but the Directors will continue to review the risks and impact closely.

The Company also has a degree of exposure to exchange rate risk through its investment in overseas subsidiaries. The Directors carefully monitor exchange rate movements and also forecasts thereof, and consider their impact on the Company's assets.

The Directors have carefully considered the exposure of the Company to financial risk, being price risk, liquidity risk, credit risk and cashflow risk, and has concluded that, due to the activities of the Company, there is very little exposure.

### SECTION 172 STATEMENT

When making decisions, the Board ensures that it acts in the way it considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole. The Board maintains oversight of the Company's performance and reserves to itself specific matters for approval including the 5 year business plan and any new strategic initiatives such as the development of the food court and the rebranding of Centro to Westfield.

The Directors understand the business and the evolving environment in which the Company operates. The strategy set by the Board is intended to strengthen the Company's position as owner of prime retail and leisure facilities, and the objective of the Board is to increase long-term value for shareholders, recognising that the long-term success of our business is dependent on our stakeholders and the external impact of our business activities on society. The long term strategy of CentrO Europe Limited and its subsidiaries is to be achieved by both maintaining its high quality retail tenants and investigating new opportunities to maximise the use of the Centro site.

**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers and joint-venture partners, and in particular the subsidiary companies' tenants. The Company's ability to promote these mutually beneficial relationships effectively is an important factor in the decision to enter into or remain in such relationships. The business continuously assesses the priorities related to retail tenants and others with whom we do business, and the Board engages with the businesses on these topics. The Directors of the Company ensure regular communication so that both CentrO and the retail tenants continue to benefit from their commercial engagement.

The Directors recognise that CentrO employees are fundamental and core to our business and delivery of our strategic ambitions. The success of the business depends on attracting, retaining and motivating employees.

The immediate parent undertaking is CentrO Asset Management Limited, a company incorporated in Great Britain and registered in England and Wales. CentrO Asset Management Limited is wholly owned by CentrO Holdings (UK) Limited, which is jointly owned and controlled by CPPIB US Re-3, Inc ("CPPIB") and Belindam BV, a subsidiary of Unibail-Rodamco-Westfield SE (previously called Unibail-Rodamco SE), a company listed in France. As there is no controlling party, the Directors of both parties recognise the need to act jointly and fairly between members.

The Company recognises and subscribes to Unibail-Rodamco-Westfield's Better Places 2030 agenda and the move to a low-carbon economy.

This report was approved by the Board on 9 November 2021 and signed on its behalf by:

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| DocuSigned by: Ruud Vogelaar | DocuSigned by: Andrea Orlandi |
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| **Ruud Vogelaar** | **Andrea Orlandi** |
| Director | Director |

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their annual report and the audited financial statements of CentrO Europe Limited (the "Company") for the year ended 31 December 2020.

### PRINCIPAL ACTIVITY

The principal activity of the Company is the ownership of the entities that indirectly own the Centro shopping centre mall asset in Oberhausen, Germany. The Company does not have any employees.

### RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £63,517 (2019: £22,927).

During the year the Company paid dividends of £nil (2019: £nil). The Directors do not recommend the payment of a final dividend (2019: £nil).

### DIRECTORS

The Directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

L Benzine (resigned 28 April 2020)
O Bossard (appointed 27 April 2021)
A Burlin (appointed 3 February 2021)
O J-M P Coutin (resigned 3 February 2021)
M C Dessolain (resigned 3 February 2021)
T Jackson (resigned 16 July 2020)
D Léveillé-Nizerolle (resigned 27 April 2021)
A A Orlandi
C Maher (appointed 28 April 2020)
M Peel (appointed 16 July 2020)
R Vogelaar

### QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

During the year the Company had in force an indemnity insurance policy in favour of one or more Directors of the Company, against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

### GOING CONCERN

The Directors have undertaken a detailed assessment of the Company's ability to continue as a going concern for a period of twelve months from the date of approval of these financial statements. ('the going concern review period'). That assessment has taken into consideration: the current financial position of the Company; a detailed review of the Company's forecast cashflows for the going concern review period; sensitivities to the key assumptions in the forecast cashflows; and the principal risks and uncertainties facing the Company including the potential impact of COVID-19 on the Company. The impact on the Company of COVID-19 is considered to be negligible, as activity and costs remain broadly unchanged since the start of the pandemic.

The Directors note that the Company has made a loss for the year and is in a net current liability position of £478,641 at year end, £473,917 of which relates to amounts due to group undertakings. The Directors have obtained a letter of intent from the Company's immediate parent undertaking CentrO Asset Management Limited. The letter of intent confirms that for a period of twelve months from the date of approval of the financial statements, CentrO Asset Management Limited will make available such funds as are required to enable the Company to meet its liabilities as they fall due, and that it is not CentrO Asset Management Limited's intention to recall any intercompany balances due from the Company within 12 months from the date of approval of the financial statements. After making appropriate enquiries the Directors are confident that CentrO Asset Management Limited has the resources to provide such support, albeit that the letter of intent provided is not unconditional and has been drafted such that it does not create any legally binding obligations for CentrO Asset Management Limited; and there is a material uncertainty in the latest financial statements of Centro Asset Management Limited in relation to going concern. In addition, the Company has received letters of intent from its other intercompany creditors confirming that it is not their intention to recall any intercompany balances due from the Company within twelve months from the date of approval of the financial statements. It is noted that the letters of intent provided are also not unconditional and have been drafted such that they do not create any legally binding obligations for the group undertakings.

If the financial support from CentrO Asset Management Limited referred to above is not provided as required and/or the intercompany creditors were to call in the amounts owed, the Company may not be able to meet its liabilities as they fall due and therefore this indicates the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

Notwithstanding this, based on their assessment of the Company's financial position, its forecast future cashflows and the letters of intent provided as set out above, the Directors are confident that the Company will be able to meet its liabilities as they fall due for the going concern review period. Accordingly, the Directors continue to adopt the going concern basis in preparing the Company's financial statements.

The financial statements do not contain the adjustments that would result if the Company were unable to continue as a going concern.

### FUTURE DEVELOPMENTS

There are no significant developments planned for the future.

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

### DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 those 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; 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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a Director at the date of approving this Report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware.

Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the board on 9 November 2021 and signed on its behalf by:

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| DocuSigned by: | DocuSigned by: |
| Ruud Vogelaar | Andrea Orlandi |
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| **Ruud Vogelaar** | **Andrea Orlandi** |
| Director | Director |

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTRO EUROPE LIMITED

## OPINION

We have audited the financial statements of CentrO Europe Limited for the year ended 31 December 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2020 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.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

We draw attention to Note 2.3 Going Concern in the financial statements which explains that the Company's going concern analysis is reliant on letters of intent from the Company's immediate parent undertaking and from other group undertakings. The letter of intent from the immediate parent undertaking confirms that it will make available such funds as are required to enable the Company to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. All of the letters of intent confirm that it is not the intention of the provider to recall any intercompany balances within 12 months from the date of approval of the financial statements. However, these letters of intent are not unconditional and have been drafted such that they do not create any legally binding obligations for the provider. In addition, one of the letters of intent is being provided by the Company's immediate parent undertaking whose latest financial statements contain a material uncertainty in relation to going concern. There is a risk therefore that financial support is not provided as required and/or the intercompany creditors are called in, such that the Company may not be able to meet its liabilities as they fall due. As stated in note 2.3, these events or conditions, along with other matters set forth in Note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. 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.

## OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

## OTHER INFORMATION (continued)

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

## RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' statement of responsibilities set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S 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 auditor's 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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTRO EUROPE LIMITED

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (the Companies Act 2006 and United Kingdom Accounting Standards including FRS102 " The Financial Reporting Standard applicable in the UK and Republic of Ireland") and the relevant direct and indirect tax compliance regulation in the UK.

- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We also obtained and read correspondence with relevant authorities, where applicable.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. In response we performed audit procedures including undertaking testing of manual journals.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved: inquiries of senior management, and where applicable those charged with governance; review of board minutes; testing journals identified by specific risk criteria; and obtaining written representations from the Directors of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**USE OF OUR REPORT**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Peter Campbell (Senior Statutory Auditor)**
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 9 November 2021

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | 2020<br>£ | 2019<br>£ |
|---|---|---|---|
| Administrative expenses | | **(55,761)** | (13,613) |
| **Operating loss** | | **(55,761)** | (13,613) |
| Interest payable and similar charges | 6 | **(7,756)** | (9,314) |
| **Loss on ordinary activities before tax** | | **(63,517)** | (22,927) |
| Tax on loss on ordinary activities | 7 | **-** | - |
| **Loss for the financial year** | | **(63,517)** | (22,927) |
| Other comprehensive income | | **-** | - |
| **Total comprehensive loss for the year** | | **(63,517)** | (22,927) |

The notes on pages 15 to 22 form part of these financial statements.

**CENTRO EUROPE LIMITED**

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

| | Note | | 2020 £ | | 2019 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Investments | 8 | | **131,930,206** | | 131,930,206 |
| | | | **131,930,206** | | 131,930,206 |
| **Current assets** | | | | | |
| Debtors: amounts falling due within one year | 9 | - | | 900 | |
| | | - | | 900 | |
| Creditors: amounts falling due within one year | 10 | **(478,641)** | | (416,024) | |
| **Net current liabilities** | | | **(478,641)** | | (415,124) |
| **Total assets less net current liabilities** | | | **131,451,565** | | 131,515,082 |
| **Net assets** | | | **131,451,565** | | 131,515,082 |
| **Capital and reserves** | | | | | |
| Called up share capital | 11 | | **202** | | 202 |
| Share premium account | 12 | | **125,694,236** | | 125,694,236 |
| Capital redemption reserve | 12 | | **3,289,164** | | 3,289,164 |
| Capital reserve | 12 | | **3,171,416** | | 3,171,416 |
| Profit and loss account | 12 | | **(703,453)** | | (639,936) |
| **Total shareholder's funds** | | | **131,451,565** | | 131,515,082 |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 November 2021 by:

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Ruud Vogelaar
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**Ruud Vogelaar**
Director

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Andrea Orlandi
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**Andrea Orlandi**
Director

The notes on pages 15 to 22 form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

| | Called up share capital | Share premium | Capital redemption reserve | Capital reserve | Profit and loss account | Total shareholders' funds |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **At 1 January 2020** | **202** | **125,694,236** | **3,289,164** | **3,171,416** | **(639,936)** | **131,515,082** |
| Loss for the financial year | - | - | - | - | (63,517) | (63,517) |
| **Total comprehensive loss for the year** | - | - | - | - | **(63,517)** | **(63,517)** |
| **At 31 December 2020** | **202** | **125,694,236** | **3,289,164** | **3,171,416** | **(703,453)** | **131,451,565** |

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

| | Called up share capital | Share premium | Capital redemption reserve | Capital reserve | Profit and loss account | Total shareholders' funds |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **At 1 January 2019** | **202** | **125,694,236** | **3,289,164** | **3,171,416** | **(617,009)** | **131,538,009** |
| Loss for the financial year | - | - | - | - | (22,927) | (22,927) |
| **Total comprehensive loss for the year** | - | - | - | - | **(22,927)** | **(22,927)** |
| **At 31 December 2019** | **202** | **125,694,236** | **3,289,164** | **3,171,416** | **(639,936)** | **131,515,082** |

The notes on pages 15 to 22 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 1. GENERAL INFORMATION

The principal activity of CentrO Europe Limited (the "Company") is that of an investment holding company. The Company does not have any employees.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales.

The address of its registered office is 1 Ariel Way, London, W12 7SL, United Kingdom.

### 2. ACCOUNTING POLICIES

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

These financial statements present information about the Company as an individual undertaking and not about its group. The financial statements present information about the Company and not the group as the Company is exempt from the requirement to prepare group financial statements under Section 400 of the Companies Act 2006, as it is a wholly owned subsidiary of CentrO Holdings (UK) Limited, which is registered in England and Wales and prepares publicly available group financial statements which include the results of the Company and its subsidiary undertakings.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

#### 2.2 FRS 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.42, 11.44, 11.45, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A; and
- the requirements of Section 33 Key Management Remuneration Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CentrO Holdings (UK) Limited as at 31 December 2020 and these financial statements may be obtained from 1 Ariel Way, London, W12 7SL.

## 2. ACCOUNTING POLICIES (continued)

### 2.3 Going concern

The Directors have undertaken a detailed assessment of the Company's ability to continue as a going concern for a period of twelve months from the date of approval of these financial statements ('the going concern review period'). That assessment has taken into consideration: the current financial position of the Company; a detailed review of the Company's forecast cashflows for the going concern review period; sensitivities to the key assumptions in the forecast cashflows; and the principal risks and uncertainties facing the Company including the potential impact of COVID-19 on the Company. The impact on the Company of COVID-19 is considered to be negligible, as activity and costs remain broadly unchanged since the start of the pandemic.

The Directors note that the Company has made a loss for the year and is in a net current liability position of £478,641 at year end, £473,917 of which relates to amounts due to group undertakings. The Directors have obtained a letter of intent from the Company's immediate parent undertaking CentrO Asset Management Limited. The letter of intent confirms that for a period of twelve months from the date of approval of the financial statements, CentrO Asset Management Limited will make available such funds as are required to enable the Company to meet its liabilities as they fall due, and that it is not CentrO Asset Management Limited's intention to recall any intercompany balances due from the Company within 12 months from the date of approval of the financial statements. After making appropriate enquiries the Directors are confident that CentrO Asset Management Limited has the resources to provide such support, albeit that the letter of intent provided is not unconditional and has been drafted such that it does not create any legally binding obligations for CentrO Asset Management Limited; and there is a material uncertainty in the latest financial statements of Centro Asset Management Limited in relation to going concern. In addition, the Company has received letters of intent from its other intercompany creditors confirming that it is not their intention to recall any intercompany balances due from the Company within twelve months from the date of approval of the financial statements. It is noted that the letters of intent provided are also not unconditional and have been drafted such that they do not create any legally binding obligations for the group undertakings.

If the financial support from CentrO Asset Management Limited referred to above is not provided as required and/or the intercompany creditors were to call in the amounts owed, the Company may not be able to meet its liabilities as they fall due and therefore this indicates the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

Notwithstanding this, based on their assessment of the Company's financial position, its forecast future cashflows and the letters of intent provided as set out above, the Directors are confident that the Company will be able to meet its liabilities as they fall due for the going concern review period. Accordingly, the Directors continue to adopt the going concern basis in preparing the Company's financial statements.

The financial statements do not contain the adjustments that would result if the Company were unable to continue as a going concern.

### 2.4 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

### 2.5 Debtors

*Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at* fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.6 Financial instruments

The Company only enters into basic financial instruments' transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the Statement of Financial Position date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

### 2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### 2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 2.9 Taxation

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

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

### 2.10 Functional and presentation currency

The Company's functional and presentation currency is pound sterling.

### 2.11 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are translated using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

## 3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The Directors believe that only the assumptions on the impairment of investments could have a significant effect on amounts recognised in the financial statements.

## 4. AUDITORS' REMUNERATION

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Fees payable to the Company's auditors and its associates for the audit of the Company's financial statements | **4,725** | 4,725 |

## 5. EMPLOYEES

The Company has no employees other than the Directors, who did not receive any remuneration during the year in respect of their services provided to the Company (2019: £nil).

## 6. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Interest payable on loans from group undertakings | **7,756** | 9,314 |
| | **7,756** | 9,314 |

## 7. TAX ON LOSS ON ORDINARY ACTIVITIES

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Current tax on loss for the year | - | - |
| **Total current tax** | - | - |

### 7.1 Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 – higher than) the standard rate of corporation tax in the UK of 19.00% (2019 – 19.00%). The differences are explained below:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Loss on ordinary activities before tax | **(63,517)** | (22,927) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 – 19.00%) | **(12,068)** | (4,356) |
| **Effects of:** | | |
| Expenses not deductible for tax purposes | **7,886** | 19 |
| Current period losses carried forward not recognised | **4,182** | - |
| Effects of group relief | - | 4,337 |
| **Total tax charge for the year** | - | - |

### 7.2 Factors that may affect future tax charges

The standard rate of corporation tax is 19% and this took effect from 1 April 2017. A reduction to 17% with effect from 1 April 2020 was introduced in the Finance Act 2016. However, in accordance with the 2020 budget the rate did not reduce to 17% and instead remained at 19%. The Finance Act 2020 received Royal Assent on 22 July 2020. In accordance with the March 2021 budget, the rate will increase to 25% from 1 April 2023.

The Company has deferred tax assets in respect of trading losses of £10,700 (2019: £5,832) which have not been recognised due to doubts over recoverability. These assets are available to offset against future taxable profits and there is no time limit for usage.

## 8. INVESTMENTS

| | Investments in subsidiary companies |
|---|---|
| **Cost** | **£** |
| At 1 January 2020 | **131,930,206** |
| Additions | - |
| **At 31 December 2020** | **131,930,206** |
| | |
| **Net book value** | |
| **At 31 December 2020** | **131,930,206** |
| At 31 December 2019 | **131,930,206** |

The following were subsidiary undertakings of the Company:

| Name | Country of incorporation | | Holding | Principal activity |
|---|---|---|---|---|
| CentrO Projektentwicklungs GmbH | Germany | | 100% | Retail development |
| CentrO. Management GmbH | Germany | | 100% | Parent undertaking |
| CentrO Europe (No.2) Limited | England and Wales | | 100% | Parent undertaking |
| CentrO Grundstucksentwicklungs GmbH | Germany | * | 100% | Parent undertaking |
| Neue Mitte Oberhausen Projektentwicklung Ltd. & Co. KG | Germany | * | 92% | Retail development |
| Neue Mitte Oberhausen Projektentwicklung Verwaltlungs Ltd. & Co. KG | Germany | * | 92% | Parent undertaking |
| Neue Mitte Oberhausen Projektentwicklung Beteiligungs GmbH | Germany | * | 92% | Parent undertaking |
| SL Oberhausen Beteligungs GmbH | Germany | ** | 94.98% | Retail development |

* *Denotes share held indirectly through CentrO. Management GmbH and CentrO Projektentwicklungs GmbH.*
** *Denotes shares held indirectly through CentrO Projektentwicklungs GmbH.*

The Company owns through its wholly owned subsidiary company CentrO. Management GmbH, 49.8% of the ordinary share capital of CentrO Grundstucksentwicklungs GmbH, a company which has a 45.825% interest in the partnership Neue Mitte Oberhausen Projektenwicklung Ltd & Co K.G. ('NMOP') which has developed Centro, a retail centre in Oberhausen, Germany.

The other wholly owned subsidiary of the Company, CentrO Projektentwicklungs GmbH holds a 45.825% interest in Neue Mitte Oberhausen Projektenwicklung Ltd & Co K.G. ('NMOP') and holds the remaining 50.2% interest in CentrO Grundstucksentwicklungs GmbH.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 8. INVESTMENTS (continued)

The remaining 8.35% interest in Neue Mitte Oberhausen Projektwicklung Ltd & Co K.G. is owned by CentrO Oberhausen GmbH, a wholly owned subsidiary undertaking of CentrO Asset Management Limited. CentrO Asset Management Limited is the parent undertaking of CentrO Europe Limited.

The registered office of CentrO Europe (No.2) Limited is 1 Ariel Way, London W12 7SL. The registered office of all other subsidiaries is Klaus-Bungert- Straße 1, Düsseldorf 40468, Germany.

### 9. DEBTORS

| | **2020** | 2019 |
|---|---|---|
| | **£** | £ |
| Other debtors | - | 900 |

### 10. CREDITORS: *Amounts falling due within one year*

| | **2020** | 2019 |
|---|---|---|
| | **£** | £ |
| Amounts owed to group undertakings | **473,917** | 411,300 |
| Accruals and deferred income | **4,724** | 4,724 |
| | **478,641** | 416,024 |

### 11. CALLED UP SHARE CAPITAL

| | **2020** | 2019 |
|---|---|---|
| **Allotted, called up and fully paid** | **£** | £ |
| 19,913,603 (2019: 19,913,603) Ordinary shares of £0.00001 (2019: £0.00001) each | **201** | 201 |
| 100 (2019: 100) Ordinary B shares of £0.01 (2019: £0.01) each | **1** | 1 |
| | **202** | 202 |

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

The B Ordinary shares shall not entitle the holders of such shares to receive any dividend or other distribution of the Company. On winding up or other return of capital, holders of the shares shall only be entitled to payment of the amounts paid up in those shares. Provided that all monies presently payable in respect of such B Ordinary shares have been paid, every holder of a B Ordinary share shall have the right to receive notice of and attend all general meetings of the Company.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 12. RESERVES

**Share premium**

Share premium represents the amount subscribed for share capital in excess of the nominal value.

**Capital redemption reserve**

The capital redemption reserve represents the amount by which share capital has been reduced on repurchase of the Company's own shares.

**Capital reserve**

The capital reserve represents capital contributions received by the Company.

**Profit and loss account**

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

### 13. RELATED PARTY TRANSACTIONS

The Company, in the normal course of business, receives loans from, and extends loans to related parties.

The amounts outstanding at 31 December 2020 were as follows:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| CentrO Asset Management Limited – loan | **351,519** | 343,763 |
| CentrO Asset Management Limited - other | **66,891** | 53,537 |
| CentrO Europe (No.2) Limited – other | **14,000** | 14,000 |
| CentrO. Management GmbH – other | **41,507** | - |
| | **473,917** | 411,300 |

The loan from CentrO Asset Management Limited is repayable on demand and attracts interest at 2% over the Bank of England base rate. During the year the loan accrued interest of £7,756 (2019: £9,314).

During the year corporate service fees of £8,674 (2019: £8,788) were charged by CentrO Asset Management Limited.

### 14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is CentrO Asset Management Limited, a company incorporated in Great Britain and registered in England and Wales. CentrO Asset Management Limited is wholly owned by CentrO Holdings (UK) Limited, which is jointly owned and controlled by CPPIB US RE-3, Inc and Belindam BV, a subsidiary of Unibail Rodamco Westfield SE. Accordingly the Directors consider that there is no ultimate parent undertaking and controlling party.

The largest and smallest group in which the results of the Company are consolidated is CentrO Holdings (UK) Limited. The group financial statements of CentrO Holdings (UK) Limited are publicly available.