

REGISTRAR'S COPY

COMPANY NUMBER 2566960.....

**CENTRO PROPERTY  
SERVICES LIMITED**

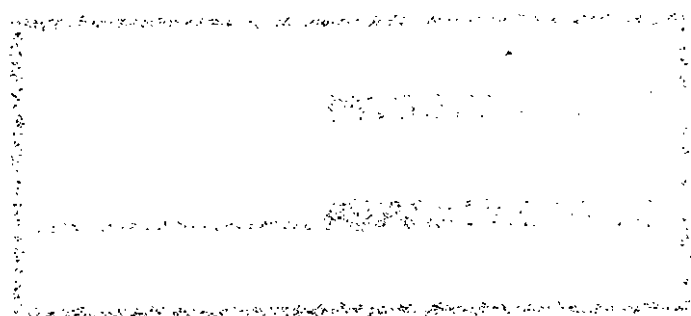
Report and Financial Statements

Year Ended  
31 March 1995

**BDO**

BDO Stoy Hayward  
Chartered Accountants





# **CENTRO PROPERTY SERVICES LIMITED**

**Annual report and financial statements for the year ended 31 March 1995**

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Directors

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## **Directors**

R P Harwood FRICS FSVA  
P R Harwood  
J P Harwood

## **Secretary and Registered Office**

D E Walker  
Mid-day Court, 30 Brighton Road, Sutton, Surrey SM2 5BN

## **Company number**

2566960

## **Auditors**

BDO Stoy Hayward, Fitzalan House, 70 High Street, Ewell, Epsom, Surrey KT17 1RQ

# CENTRO PROPERTY SERVICES LIMITED

## Report of the directors for the year ended 31 March 1995

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The directors present their report together with the audited financial statements for the year ended 31 March 1995.

### Results and dividends

The profit and loss account is set out on page 3 and shows the results for the year. The directors do not recommend the payment of a dividend for the year under review.

### Principal activities, trading review and future developments

Throughout the year the activities of the company continued to relate to the provision of professional services associated with property valuation in its various forms, commercial and residential property management, the provision of professional advice on building matters associated with the maintenance and repair of buildings, and consultancy services in relation to redevelopment.

The directors are disappointed with the results for the year, with the planned progress envisaged by the previous year's report not being achieved principally due to the dishonesty and serious misdemeanours of a key member of staff. This caused a considerable diversion of resources and consequently an increase in non profit-making overheads in the form of additional salary costs to redress the position. The effect of the above will continue to be felt in the following year.

### Fixed assets

Significant changes in fixed assets are set out at note 8 to the financial statements.

### Directors

The directors of the company during the year and their interests in its ordinary share capital were:

	At 31 March	
	1995	1994
R P Harwood	33,329	32,329
P R Harwood	3,332	1,666
J P Harwood	3,332	1,666
S C Jarman (resigned 8 April 1994)	-	4,333

## CENTRO PROPERTY SERVICES LIMITED

Report of the directors for the year ended 31 March 1995 (*Continued*)

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### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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:

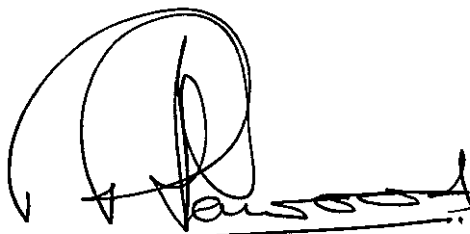
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

### Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'R P Harwood', with a large, stylized loop at the beginning.

R P Harwood

Director

29 January 1996

# CENTRO PROPERTY SERVICES LIMITED

## Profit and loss account for the year ended 31 March 1995

	Note	Year ended 31 March 1995		Year ended 31 March 1994	
		£	£	£	£
Turnover	2		422,971		426,736
Administrative expenses					
Operating costs		459,893		397,409	
Redundancy and severance pay		3,722		-	
Management and service charges		5,000		41,755	
			468,615		439,164
			(45,644)		(12,428)
Other operating income	4		57,817		49,243
Profit on ordinary activities before interest			12,173		36,815
Interest payable	5		10,162		2,350
Profit on ordinary activities before taxation	6		2,011		34,465
Taxation	7		1,925		-
Profit on ordinary activities			86		34,465
Retained loss brought forward			(5,566)		(40,031)
Retained loss carried forward			(5,480)		(5,566)

All amounts relate to continuing activities

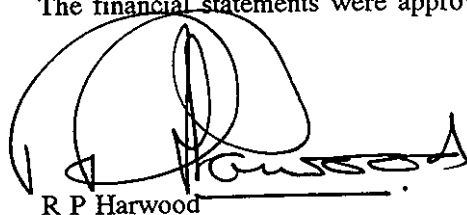
The notes on pages 5 to 11 form part of these financial statements

# CENTRO PROPERTY SERVICES LIMITED

Balance sheet at 31 March 1995

	Note	1995 £	1994 £
<b>Fixed assets</b>			
Tangible assets	8	108,629	101,611
<b>Current assets</b>			
Stocks	9	10,584	13,130
Debtors	10	124,806	111,293
Cash at bank and in hand		581	12,802
		<u>135,971</u>	<u>137,225</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>161,883</u>	<u>147,825</u>
<b>Net current liabilities</b>		<u>(25,912)</u>	<u>(10,600)</u>
<b>Total assets less current liabilities</b>		82,717	91,011
<b>Creditors: amounts falling due after more than one year</b>	12	<u>46,199</u>	<u>54,579</u>
		<u>36,518</u>	<u>36,432</u>
<b>Equity shareholders' funds</b>			
Called up share capital	13	39,994	39,994
Share premium account		2,004	2,004
Profit and loss account		(5,480)	(5,566)
		<u>36,518</u>	<u>36,432</u>

The financial statements were approved by the Board on 29 January 1996



R P Harwood

Director

The notes on pages 5 to 11 form part of these financial statements

# CENTRO PROPERTY SERVICES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1995

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## 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. No cash flow statement has been prepared since Centro Property Services Limited meets the requirements of a small company as defined by the Companies Act 1985. The following accounting policies have been applied consistently during the year:

### *Turnover*

Turnover represents sales, net of credit notes and discounts, to external customers at invoiced amounts less value added tax.

### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following annual rates using the straight line basis:

Leasehold improvements	- 20%
Motor vehicles	- 33 $\frac{1}{3}$ % (from month of acquisition)
Computer equipment	- 25%
Fixtures and fittings	- 25%

### *Obligations under hire purchase agreements*

Where assets are acquired by way of agreements that give rights approximating to ownership (hire purchase contracts), the assets are treated as if they had been purchased outright. The amount capitalised is the actual value of vehicle as if purchased outright. The corresponding repayment commitments are shown as amounts payable to the financier. Depreciation on the relevant assets is charged to the profit and loss account.

Hire purchase payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the contract. The capital part reduces the amounts payable to the financier. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Any operating leases have their annual rentals charged to the profit and loss account on a straight-line basis over the term of the lease.

### *Work in progress and stocks*

Work in progress comprises attributable costs for projects in progress at the balance sheet date and stocks represent advertising material which is stated at cost.



## CENTRO PROPERTY SERVICES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1995 (*Continued*)

### 2 Turnover and profits

Turnover and profit before taxation are wholly attributable to property management and related services and arise solely within the United Kingdom.

### 3 Employees and directors

The average weekly number of employees during the year, including directors, was 17 (1994: 15).

	1995 £	1994 £
Staff costs consist of:		
Wages and salaries	203,245	150,340
Social security costs	15,304	15,022
	<u>218,549</u>	<u>165,362</u>
Directors' emoluments comprise:		
Remuneration as executives (including car benefits)	<u>9,707</u>	<u>36,300</u>

### 4 Other operating income

Commission receivable	-	16,000
Management recharges	-	2,500
- consultancy fees	-	-
- administrative expenses/salaries	57,817	30,743
	<u>57,817</u>	<u>49,243</u>

### 5 Interest payable

	£	£
Bank overdraft	1,316	170
Bank loan (secured)	-	495
Hire purchase agreements	8,846	1,685
	<u>10,162</u>	<u>2,350</u>

# CENTRO PROPERTY SERVICES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1995 (*Continued*)

## 6 Profit on ordinary activities before and after taxation

	1995 £	1994 £
This is arrived at after charging:		
Depreciation of tangible assets	22,096	16,911
Hire of plant and machinery - operating leases	3,733	49,402
Property rental payments	21,365	19,750
Auditors' remuneration - audit services	3,000	3,000
	<u>          </u>	<u>          </u>

## 7 Taxation

UK Corporation tax at 25% based on profits for the year	1,925	-
	<u>          </u>	<u>          </u>

No taxation was payable in 1994 due to the availability of trading losses brought forward.

**CENTRO PROPERTY SERVICES LIMITED**

Notes forming part of the financial statements for the year ended 31 March 1995 (*Continued*)

**8 Tangible assets**

	Leasehold improvements £	Motor vehicles £	Computer equipment £	Fixtures and fittings £	Total £
<i>Cost</i>					
At 1 April 1994	12,000	95,253	11,532	16,126	134,911
Additions	-	27,271	635	1,208	29,114
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1995	12,000	122,524	12,167	17,334	164,025
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 April 1994	5,400	9,696	6,530	11,674	33,300
Provided for the year	2,400	12,320	3,042	4,334	22,096
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1995	7,800	22,016	9,572	16,008	55,396
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 March 1995	4,200	100,508	2,595	1,326	108,629
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1994	6,600	85,557	5,002	4,452	101,611
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

During the year the directors determined that the residual values for motor vehicles of nil were inappropriate and had caused an excessive depreciation charge to be incurred on these assets to date. The residual values have therefore been revised to reflect the expected value of the motor vehicles at the end of three years and the depreciation calculations have been revised accordingly. The depreciation charged to 31 March 1995 on the original basis would have been £46,393 compared to that disclosed above of £22,016 using the revised residual values.

The net book value of tangible fixed assets includes an amount of £100,508 (1994: £85,557) in respect of assets held under hire purchase agreements. The related depreciation charge for the year was £12,320 (1994: £7,596).

# CENTRO PROPERTY SERVICES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1995 (*Continued*)

	1995 £	1994 £
<b>9 Stocks</b>		
Work in progress	4,370	6,377
Stock of advertising material	6,214	6,753
	<u>10,584</u>	<u>13,130</u>

## 10 Debtors

Amounts receivable within one year:		
Trade debtors	23,170	35,343
Other debtors (note 15)	12,866	55,486
Prepayments and accrued income	6,175	20,464
	<u>42,211</u>	<u>111,293</u>
Amounts receivable in more than one year	82,595	-
Other debtors (note 15)		
	<u>124,806</u>	<u>111,293</u>

The recovery of the amounts shown as receivable in more than one year depends upon the future trading performance of the related companies Centro Services Limited and Centro Commercial Limited. No provision has been made against any possible non-recovery of these debts because the chairman of this company and its two related companies, who is closely involved with the activities of all three, has confirmed his confidence in the ability of these companies to pay the debts due. Furthermore he is satisfied with the amounts remaining outstanding for more than twelve months from the balance sheet date taking account of the special business relationship that exists between the three companies.

## 11 Creditors: amounts falling due within one year

Bank loan (secured)	-	3,078
Trade creditors	20,632	21,541
Corporation tax	1,925	-
Taxation and social security	60,126	49,617
Obligations under hire purchase agreements	27,264	20,802
Accruals and deferred income	45,069	44,858
Other creditors (note 15)	6,867	7,929
	<u>161,883</u>	<u>147,825</u>

**CENTRO PROPERTY SERVICES LIMITED**

Notes forming part of the financial statements for the year ended 31 March 1995 (*Continued*)

	1995 £	1994 £
<b>12 Creditors: amounts falling due after more than one year</b>		
Obligations under hire purchase agreements (due 1-2 years)	42,283	19,780
Obligations under hire purchase agreements (due 2-5 years)	3,916	34,799
	<u>46,199</u>	<u>54,579</u>

**13 Share capital**

	Authorised		Allotted, issued and fully paid	
	1995	1994	1995	1994
	£	£	£	£
Ordinary shares of £1 each	40,000	40,000	39,994	39,994
	<u>40,000</u>	<u>40,000</u>	<u>39,994</u>	<u>39,994</u>

**14 Commitments under operating leases**

As at 31 March, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Motor vehicles	
	1995	1994	1995	1994
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	-	1,250
In two to five years	-	-	-	-
In over five years	32,000	-	-	-
	<u>32,000</u>	<u>-</u>	<u>-</u>	<u>1,250</u>

# CENTRO PROPERTY SERVICES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1995 (*Continued*)

## 15 Related party transactions and balances

Related party	Transaction	Amount
R P Harwood and D E Walker	Rent payable	32,000
	Less: amount waived in year	(11,250)
		<u>21,750</u>
Centro Commercial Limited	-	<u>-</u>
Core Property plc	Reception charges	<u>3,750</u>
	Management charges payable	<u>5,000</u>
Centro Services Limited	Management charges receivable	<u>57,817</u>

Centro Commercial Limited and Centro Services Limited are companies of which R P Harwood, P R Harwood and J P Harwood are directors and shareholders. At the balance sheet date the balances with those companies were £37,533 and £45,062 (within other debtors due after more than one year) respectively. These balances arose during the ordinary course of trade.

Core Property plc is a company of which R P Harwood is a director and shareholder. At the balance sheet date the balance with this company was £5,861 (within other debtors due within one year). This balance arose during the ordinary course of trade.

## 16 Recognised gains and losses and movements in shareholders' funds

Recognised gains and losses, together with movements in shareholders' funds, are wholly reflected by the profit and loss account on page 3. There is no material difference between reported and historical cost profits and losses.

# CENTRO PROPERTY SERVICES LIMITED

## Report of the auditors

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### To the shareholders of Centro Property Services Limited

We have audited the financial statements on pages 3 to 11 which have been prepared under the accounting policies set out on page 5.

#### *Respective responsibilities of directors and auditors*

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### *Basis of opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

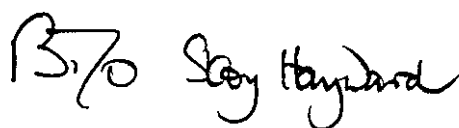
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### *Fundamental Uncertainty*

In forming our opinion, we have considered the adequacy of the disclosures made in note 10 of the financial statements concerning the uncertainty as to the recoverability of the related party debts. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

#### *Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO Stoy Hayward**  
*Chartered Accountants  
and Registered Auditors*  
Ewell, Epsom, Surrey

29 January 1996