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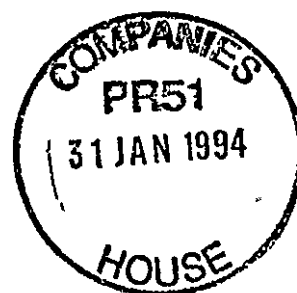
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CENTRO PROPERTY SERVICES LIMITED

Report and financial statements

Year ended

31 March 1993



CENTRO PROPERTY SERVICES LIMITED

Annual report and financial statements for the year ended 31 March 1993

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Directors

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Directors

R P Harwood FRICS FSVA
S C Jarman BSc FRICS IRRV
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

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 1993

The directors present their report together with the audited financial statements for the year ended 31 March 1993.

Results and dividends

The profit and loss account is set out on page 3 and shows the profit 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 pleased to report a profitable year of trading and have continued throughout the accounting period to review the activities of personnel to effect the most creative use of overhead expenditure. The Board are of the opinion that the business unit, as restructured after its acquisition from Prudential Property Services, is viable and can now be extended by controlled expansion leading to continuing and realistic profit related to turnover.

Fixed assets

Significant changes in fixed assets are set out at note 7 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	
	1993	1992
R P Harwood	32,329	32,329
S C Jarman	4,333	4,333
P R Harwood	1,666	1,666
J P Harwood	1,666	1,666

CENTRO PROPERTY SERVICES LIMITED

Report of the directors for the year ended 31 March 1993 (*Continued*)

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.

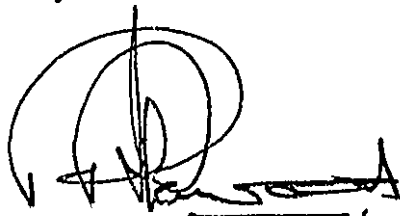
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Since the end of the year Touche Ross have resigned as auditors and Stoy Hayward have been appointed in their place.

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', written over a horizontal line.

R P Harwood

Director

28 January 1994

CENTRO PROPERTY SERVICES LIMITED

Profit and loss account for the year ended 31 March 1993

	Note	Year ended 31 March 1993		15 months ended 31 March 1992	
		£	£	£	£
Turnover	2		344,867		460,666
Administrative expenses					
Other expenses		309,373		459,834	
Redundancy and severance pay		8,000		47,559	
Management and service charges		25,400		34,350	
			342,773		541,743
			2,094		(81,077)
Other operating income			-		40,715
Profit/(loss) on ordinary activities before interest			2,094		(40,362)
Interest payable	4		1,293		470
Profit/(loss) on ordinary activities before and after taxation	5		801		(40,832)
Retained loss brought forward			(40,832)		-
Retained loss carried forward			(40,031)		(40,832)

The notes on pages 5 to 10 form part of these financial statements

CENTRO PROPERTY SERVICES LIMITED

Balance sheet at 31 March 1993

	Note	£	1993	£	1992	£
Fixed assets						
Tangible assets	7			26,898		31,346
Current assets						
Stocks	8	4,700			-	
Debtors	9	44,731			36,288	
Cash at bank and in hand		8,922			2,611	
			58,353		38,899	
Creditors: amounts falling due within one year	10	78,469			62,369	
Net current liabilities				(20,116)		(23,470)
Total assets less current liabilities				6,782		7,876
Creditors: amounts falling due after more than one year	11			4,815		6,710
				1,967		1,166
Capital and reserves						
Called up share capital	12			39,994		39,994
Share premium account				2,004		2,004
Profit and loss account				(40,031)		(40,832)
				1,967		1,166

The financial statements were approved by the Board on 28 January 1994


R P Harwood

Director

The notes on pages 5 to 10 form part of these financial statements

CENTRO PROPERTY SERVICES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1993

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	- 33⅓%
Computer equipment	- 25%
Fixtures and fittings	- 25%

Leased assets

All significant 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.

Stocks

Work in progress comprises attributable costs for projects in progress at the balance sheet date.

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.

CENTRO PROPERTY SERVICES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1993 (Continued)

3 Employees and directors

The average weekly number of employees during the year, including directors, was 15 (1992: 15).

	1993 £	1992 £
Staff costs consist of:		
Wages and salaries	154,192	247,747
Social security costs	16,851	25,766
	<u>171,043</u>	<u>273,513</u>
Directors' emoluments comprise:		
Remuneration as executives	<u>30,270</u>	<u>114,968</u>

The highest paid director received emoluments of £30,270 (1992: £37,237)

Other directors' emoluments fell in the following bands:

	Number	Number
£0 - 5,000	3	2
£15,001 - 20,000	-	1
£25,001 - 30,000	-	1
£30,001 - 35,000	-	1
	<u></u>	<u></u>

4 Interest payable

	£	£
Bank loan (secured)	1,079	470
Hire purchase agreements	214	-
	<u>1,293</u>	<u>470</u>

5 Profit/(loss) on ordinary activities before and after taxation

This is arrived at after charging:

Exceptional item - redundancy costs	8,000	47,559
Depreciation of tangible assets	10,747	5,642
Hire of plant and machinery - operating leases	26,763	32,922
Property rental payments - operating leases	18,000	18,000
Auditors' remuneration - audit services	3,000	3,000
	<u></u>	<u></u>

CENTRO PROPERTY SERVICES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1993 (*Continued*)

6 Taxation

No taxation is payable on the profit for the year due to the availability of loss relief. The company has losses available for offset against future taxable profits of approximately £30,000 (1992: £47,000), subject to the agreement of the Inland Revenue.

7 Tangible assets

	Leasehold improvements £	Motor vehicles £	Computer equipment £	Fixtures and fittings £	Total £
<i>Cost</i>					
At 1 April 1992	12,000	-	10,695	14,293	36,988
Additions	-	6,299	-	-	6,299
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 1993	12,000	6,299	10,695	14,293	43,287
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Depreciation</i>					
At 1 April 1992	600	-	973	4,069	5,642
Provided for the year	2,400	2,100	2,674	3,573	10,747
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 1993	3,000	2,100	3,647	7,642	16,389
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Net book value</i>					
At 31 March 1993	9,000	4,199	7,048	6,651	26,898
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 1992	11,400	-	9,722	10,224	31,346
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CENTRO PROPERTY SERVICES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1993 (Continued)

	1993	1992
	£	£
8 Stocks		
Work in progress	4,700	-
	<u> </u>	<u> </u>
9 Debtors		
Amounts receivable within one year:		
Trade debtors	6,613	12,146
Other debtors	19,403	-
Prepayments and accrued income	18,715	24,142
	<u> </u>	<u> </u>
	44,731	36,288
	<u> </u>	<u> </u>
10 Creditors: amounts falling due within one year		
Bank loan (secured)	3,500	3,627
Trade creditors	3,617	11,944
Taxation and social security	18,284	20,886
Obligations under hire purchase agreements	2,002	-
Accruals and deferred income	14,369	25,246
Other creditors	36,697	666
	<u> </u>	<u> </u>
	78,469	62,369
	<u> </u>	<u> </u>
11 Creditors: amounts falling due after more than one year		
Bank loan (secured) due 1 - 2 years	3,480	6,710
Obligations under hire purchase agreements (due 1-2 years)	1,335	-
	<u> </u>	<u> </u>
	4,815	6,710
	<u> </u>	<u> </u>

Bank borrowings are secured by personal guarantees of the directors.

CENTRO PROPERTY SERVICES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1993 *(Continued)*

12 Share capital

	Authorised		Allotted, issued and fully paid	
	1993 £	1992 £	1993 £	1992 £
Ordinary shares of £1 each	40,000	40,000	39,994	39,994

13 Commitments under operating leases

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

	1993 Equipment £	1992 Equipment £
Operating leases which expire:		
Within one year	25,924	-
In two to five years	-	27,690
	<u>25,924</u>	<u>27,690</u>

CENTRO PROPERTY SERVICES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1993 *(Continued)*

14 Related party transactions and balances

Related party	Transaction	Accounts effect
R P Harwood and D E Walker	Rent payable	£18,000 expense
Centro Commercial Limited	(i) Salary and car leasing costs recharged to Centro Commercial Limited	Nil
	(ii) Management charges payable	£5,000 expense
Core Property plc	(i) Reception and car parking charges	£29,521 expense
	(ii) Management charges payable	£19,000 expense
	(iii) Professional costs recharged to Core Property plc	Nil

Centro Commercial Limited and Core Property plc are companies of which R P Harwood is a director and shareholder. At the balance sheet date the balances with these companies were £19,403 (within debtors) and £5,000 (within creditors) respectively. These balances arose during the ordinary course of trade.

15 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

To the shareholders of Centro Property Services Limited

We have audited the financial statements on pages 3 to 10 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.

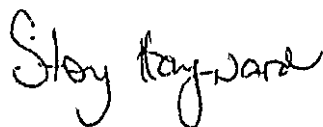
Basis of opinion

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.

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 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



STOY HAYWARD
Chartered Accountants
and Registered Auditors
Ewell, Epsom, Surrey

28 January 1994