

**Centro Commercial Limited**  
**Financial Statements**  
**31 March 2016**



**BROOKS & CO.**  
Chartered accountant & statutory auditor  
Mid-Day Court  
20-24 Brighton Road  
Sutton  
Surrey  
SM2 5BN

# **Centro Commercial Limited**

## **Financial Statements**

**Year ended 31 March 2016**

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# Centro Commercial Limited

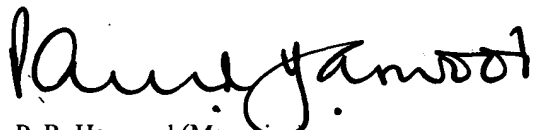
## Strategic Report

Year ended 31 March 2016

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The Strategic report has been incorporated into the Directors' Report.

This report was approved by the board of directors on 15 July 2016 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'P. R. Harwood', is written over the printed name.

P. R. Harwood (Managing)  
Director

Registered office:  
Mid-Day Court  
30 Brighton Road  
Sutton  
Surrey  
SM2 5BN

# Centro Commercial Limited

## Directors' Report

Year ended 31 March 2016

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The directors present their report and the financial statements of the company for the year ended 31 March 2016.

### Directors

The directors who served the company during the year were as follows:

P. R. Harwood (Managing)  
D. E. Walker  
R. P. Harwood FRICS

### Dividends

The operating profit for the year was £47,018 which after tax of £10,306 amounted to £36,712. The directors have not recommended a dividend.

### Disclosure of information in the strategic report

The improvement in the overall property market has shown itself in the increase in turnover and resultant profit.

The Directors anticipate a steady level of activity in the foreseeable future.

### Directors' responsibilities statement

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 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 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 judgments 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.

## Centro Commercial Limited

### Directors' Report *(continued)*

Year ended 31 March 2016

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#### Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 15 July 2016 and signed on behalf of the board by:



P. R. Harwood (Managing)  
Director

Registered office:  
Mid-Day Court  
30 Brighton Road  
Sutton  
Surrey  
SM2 5BN

## **Centro Commercial Limited**

### **Independent Auditor's Report to the Shareholders of Centro Commercial Limited**

**Year ended 31 March 2016**

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We have audited the financial statements of Centro Commercial Limited for the year ended 31 March 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement, 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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 strategic report and the directors' report 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 financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 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.

#### **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.

## Centro Commercial Limited

### Independent Auditor's Report to the Shareholders of Centro Commercial Limited (continued)

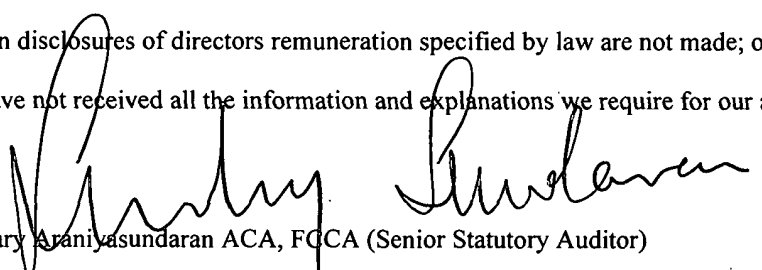
Year ended 31 March 2016

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Sundareswary Araniyasundaran ACA, FCCA (Senior Statutory Auditor)

For and on behalf of  
Brooks & Co.  
Chartered accountant & statutory auditor  
Mid-Day Court  
20-24 Brighton Road  
Sutton  
Surrey  
SM2 5BN

15 July 2016

**Centro Commercial Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 31 March 2016**

	Note	2016 £	2015 £
Turnover	3	282,373	276,224
Gross profit		<u>282,373</u>	<u>276,224</u>
Administrative expenses		235,355	236,447
Operating profit	4	<u>47,018</u>	<u>39,777</u>
Profit on ordinary activities before taxation		<u>47,018</u>	<u>39,777</u>
Tax on profit on ordinary activities	8	10,306	9,452
Profit for the financial year and total comprehensive income		<u>36,712</u>	<u>30,325</u>
Retained earnings at the start of the year		130,756	100,431
Retained earnings at the end of the year		<u>167,468</u>	<u>130,756</u>

All the activities of the company are from continuing operations.

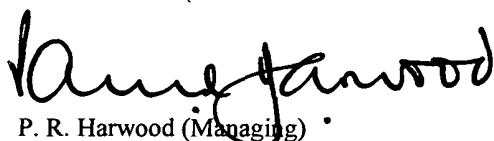
# Centro Commercial Limited

## Statement of Financial Position

31 March 2016

	Note	2016 £	2015 £
<b>Current assets</b>			
Stocks	10	500	500
Debtors	11	442,480	437,239
Cash at bank and in hand		6	46
		<u>442,986</u>	<u>437,785</u>
<b>Creditors: amounts falling due within one year</b>			
Trade creditors		2,269	1,512
Amounts owed to group undertakings		191,492	167,875
Other creditors including taxation and social security	12	73,637	132,395
Accruals and deferred income		8,029	5,156
		<u>275,427</u>	<u>306,938</u>
<b>Net current assets</b>		<u>167,559</u>	<u>130,847</u>
<b>Total assets less current liabilities</b>		<u>167,559</u>	<u>130,847</u>
<b>Net assets</b>		<u>167,559</u>	<u>130,847</u>
<b>Capital and reserves</b>			
Called up share capital	13	91	91
Profit and loss account	14	167,468	130,756
<b>Shareholders funds</b>		<u>167,559</u>	<u>130,847</u>

These financial statements were approved by the board of directors and authorised for issue on 15 July 2016, and are signed on behalf of the board by:



P. R. Harwood (Managing)  
Director

Company registration number: 02659614

# Centro Commercial Limited

## Statement of Cash Flows

Year ended 31 March 2016

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	36,712	30,325
<i>Adjustments for:</i>		
Depreciation of tangible assets	–	274
Tax on profit on ordinary activities	10,306	9,452
Accrued expenses	2,873	2,167
<i>Changes in:</i>		
Trade and other debtors	(5,241)	(10,315)
Trade and other creditors	(59,434)	(67,148)
Cash generated from operations	(14,784)	(35,245)
Tax paid	(8,873)	(3,626)
Net cash used in operating activities	<u>(23,657)</u>	<u>(38,871)</u>
<b>Cash flows from financing activities</b>		
Proceeds from loans from group undertakings	23,617	38,821
Net cash from financing activities	<u>23,617</u>	<u>38,821</u>
Net decrease in cash and cash equivalents	(40)	(50)
Cash and cash equivalents at beginning of year	46	96
Cash and cash equivalents at end of year	<u>6</u>	<u>46</u>

# Centro Commercial Limited

## Notes to the Financial Statements

Year ended 31 March 2016

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### 1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 2. Accounting policies

#### Basis of preparation

In assessing the going concern of the company the directors have not considered a period of twelve months from the signing of the accounts.

#### Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 18.

#### Revenue recognition

Turnover shown in the profit and loss account represents amounts receivable for services provided exclusive of Value Added Tax, which includes estimates of value of work done but not yet invoiced in respect of contracts for on-going services.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

#### Income tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### Tangible assets

All fixed assets are recorded at cost.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Office Equipment	- 25% reducing balance
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# Centro Commercial Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

### 2. Accounting policies *(continued)*

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

### 3. Turnover

Turnover arises from:

	2016	2015
	£	£
Rendering of services	<u>282,373</u>	<u>276,224</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

### 4. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	<u>—</u>	<u>274</u>

### 5. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>2,400</u>	<u>2,400</u>

# Centro Commercial Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

### 6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016 No.	2015 No.
Administrative staff	2	2
Management staff	1	1
	<u>3</u>	<u>3</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016 £	2015 £
Wages and salaries	167,601	145,790
Social security costs	29,462	26,610
	<u>197,063</u>	<u>172,400</u>

### 7. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016 £	2015 £
Remuneration	<u>70,000</u>	<u>70,000</u>

### 8. Tax on profit on ordinary activities

#### Major components of tax expense

	2016 £	2015 £
<b>Current tax:</b>		
UK current tax expense	10,306	9,452
<b>Tax on profit on ordinary activities</b>	<u>10,306</u>	<u>9,452</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>47,018</u>	<u>39,777</u>
Profit on ordinary activities by rate of tax	9,404	7,907
Adjustment to tax charge in respect of prior periods	–	533
Effect of expenses not deductible for tax purposes	902	910
Effect of capital allowances and depreciation	–	55
Other tax adjustment to increase/(decrease) tax liability	–	47
<b>Tax on profit on ordinary activities</b>	<u>10,306</u>	<u>9,452</u>

# Centro Commercial Limited

## Notes to the Financial Statements *(continued)*

**Year ended 31 March 2016**

**9. Tangible assets**

	Equipment £	Total £
<b>Cost</b>		
At 1 Apr 2015 and 31 Mar 2016	<u>1,823</u>	<u>1,823</u>
<b>Depreciation</b>		
At 1 Apr 2015 and 31 Mar 2016	<u>1,823</u>	<u>1,823</u>
<b>Carrying amount</b>		
At 31 March 2016	<u>—</u>	<u>—</u>

**10. Stocks**

	2016 £	2015 £
Raw materials and consumables	<u>500</u>	<u>500</u>

**11. Debtors**

	2016 £	2015 £
Amounts owed by group undertakings	379,808	381,756
Prepayments and accrued income	57,478	50,094
Amount owed by related parties	5,194	5,389
	<u>442,480</u>	<u>437,239</u>

**12. Other creditors including taxation and social security falling due within one year**

	2016 £	2015 £
Corporation tax	10,257	8,824
Social security and other taxes	25,252	29,510
Directors' loan accounts	3,835	62,104
Other creditors-associated companies	29,365	27,029
Other creditors	4,928	4,928
	<u>73,637</u>	<u>132,395</u>

Creditors: Amounts falling due within one year includes an amount of £2,268 (2015-£1,378) which was paid within one month of the year end.

**13. Called up share capital**

**Issued, called up and fully paid**

	2016 No.	£	2015 No.	£
Ordinary shares of £1 each	<u>91</u>	<u>91</u>	<u>91</u>	<u>91</u>

# Centro Commercial Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

### 14. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

	2016	2015
	£	£
Balance brought forward	130,756	100,431
Profit for the financial year	36,712	30,325
Balance carried forward	<u>167,468</u>	<u>130,756</u>

### 15. Directors' advances, credits and guarantees

Rent of £4,097 (2015-£4,110) was payable to Core Property representing the property interests of the directors, R P Harwood and D E Walker.

Included in the Creditors falling due within one year on the balance sheet is an amount of £3,835 (2015-£62,104) owed to the Directors, R P Harwood and D E Walker.

### 16. Related party transactions

The company was under the immediate control of Centro PLC and the ultimate control of R P Harwood throughout the current and previous year.

Included in Administrative Expenses is an amount Nil (2015-£30,000) payable to Centro Plc in respect of management services.

Other members of the group controlled by Centro PLC are Centro Group Limited, Centro Services Limited, Centro Property Services Ltd and Centro Security Limited. The amounts owed by and to the group undertakings at the year end are disclosed in the Debtors and Creditors notes to the balance sheet respectively.

The amounts owed by related parties shown in the Debtors note are in connection with VICOM Property Consultants Limited, in which the directors, P R Harwood, D E Walker and J P Harwood, have shared interests.

Included in the Creditors falling due within one year on the balance sheet is an amount of £29,365 (2015-£27,029) owed to Centro Residential Sales & Lettings Ltd, a company associated by control.

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £70,000 (2015: £70,000).

### 17. Controlling party

The company is a 75.8% subsidiary of Centro Plc which is also the ultimate parent company.

### 18. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2014.

# Centro Commercial Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2016

### 18. Transition to FRS 102 (continued)

#### Reconciliation of equity

	1 April 2014			31 March 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	274	–	274	–	–	–
Current assets	427,520	–	427,520	437,785	–	437,785
Creditors: amounts falling due within one year	(39,480)	(287,792)	(327,272)	(49,740)	(257,198)	(306,938)
Net current assets	388,040	(287,792)	100,248	388,045	(257,198)	130,847
Total assets less current liabilities	388,314	(287,792)	100,522	388,045	(257,198)	130,847
Creditors: amounts falling due after more than one year	(287,408)	287,408	–	(257,008)	257,008	–
Net assets	100,906	(384)	100,522	131,037	(190)	130,847
Capital and reserves	100,906	(384)	100,522	131,037	(190)	130,847

#### Reconciliation of profit or loss for the year

	Year ended 31 March 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Turnover	276,224	–	276,224
Administrative expenses	(236,689)	242	(236,447)
Operating profit	39,535	242	39,777
Tax on profit on ordinary activities	(9,404)	(48)	(9,452)
Profit for the financial year	30,131	194	30,325

**Centro Commercial Limited****Notes to the Financial Statements** *(continued)***Year ended 31 March 2016**

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**18. Transition to FRS 102** *(continued)*

The company has adopted FRS 102 for the year ended 2015 and has restated the comparative prior year amounts.

**Explanations****Changes for FRS 102 adoption**

FRS 102 explicitly requires short term employee benefits to be accrued in the financial statements. Previously, no provision was made for short term employee benefits. The change in accounting policy has led to transition adjustments. Holiday pay is now accrued in the financial statements and the comparatives have been restated to include an accrual as at 31 March 2015 and also for the opening balances as at 1 April 2014.

The amounts due to associated companies and group undertakings do not satisfy the criteria in FRS 102 to be shown as long term creditors. The balances as at 31 March 2016 and 2015 are now shown as short term creditors.

FRS 102 has also created a change in the classification of director's loan account from long term to short term.