

COMPANY REGISTRATION NUMBER 2659766

CENTRO GROUP LIMITED
FINANCIAL STATEMENTS
31ST MARCH 2008

THURSDAY



LG2UA4EP

LD5

30/10/2008

216

COMPANIES HOUSE

BROOKS & CO.
Chartered Accountants & Registered Auditors
Mid-Day Court
20-24 Brighton Road
Sutton
Surrey
SM2 5BN

CENTRO GROUP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2008

CONTENTS	PAGES
The directors' report	1 to 2
Independent auditor's report to the shareholders	3 to 4
Balance sheet	5
Profit and loss account	6
Statement of total recognised gains and losses	7
Cash flow statement	8 to 9
Notes to the financial statements	10 to 18

CENTRO GROUP LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31ST MARCH 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2008

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the ownership and the associated management of a portfolio of ground rents and the maintenance of the associated freehold properties

Pursuant to the statement in the previous two financial years, in connection with the company being authorised to transact general insurance, we have again procured and received reimbursement for such activity in the order of £111,657. Such ancillary income has been included within the Companies' turnover and is shown with comparative figures. We are aware that the inclusion of this turnover is not consistent with United Kingdom Generally Accepted Accounting Practice and we have again discussed the matter with our Auditors and accept that they will make an appropriate statement in their report. We fully understand their position, but consider the activity and income to be a representative part of our trading income.

The directors consider the financial position of the company to be satisfactory and anticipate the present level of activity will be sustained for the foreseeable future. The company is expected to benefit from the consolidation of the activities under the PLC banner.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £12,945. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 9 to the accounts.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2008	At 1 April 2007
R. P. Harwood FRICS	-	-
P. R. Harwood	9	9
D. E. Walker	-	-
J. P. Harwood (Non-executive)	9	9
	<hr/>	<hr/>

CENTRO GROUP LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31ST MARCH 2008

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent,

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 that 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 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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

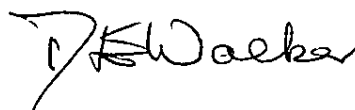
the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

A resolution to re-appoint Brooks & Co. as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

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

Signed by order of the directors



D E Walker
Company Secretary

Approved by the directors on 27/10/2008

CENTRO GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
CENTRO GROUP LIMITED
YEAR ENDED 31ST MARCH 2008

We have audited the financial statements of Centro Group Limited for the year ended 31st March 2008 on pages 5 to 18, which have been prepared on the basis of the accounting policies set out on pages 10 to 12

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes 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 misstatement, 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.

CENTRO GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
CENTRO GROUP LIMITED *(continued)*
YEAR ENDED 31ST MARCH 2008

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out below

In common with many other businesses of similar size and nature we have assisted the directors with the preparation of the financial statements and tax return

QUALIFIED OPINION

In our opinion, the turnover and cost of sales given in the Profit and Loss Account are not consistent with the United Kingdom Generally Accepted Accounting Practice

The turnover of £614,021 (2007-£521,125) includes an amount of £111,657 (2007-£112,897) which did not arise from a revenue activity but arose from reimbursements from the lessees for their buildings insurance premiums paid by the company

The cost of sales of £255,923 (2007-£216,175) includes the buildings insurance premiums paid of £111,657 (2007-£112,897) which had been recovered from the lessees

The reporting profit for the financial year is not affected by the accounting treatment of the property insurance premiums receivable and payable

Except for the disagreement shown in the above paragraphs,

in our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements



Mid-Day Court
20-24 Brighton Road
Sutton
Surrey
SM2 5BN

28th October 2008

BROOKS & CO
Chartered Accountants
& Registered Auditors

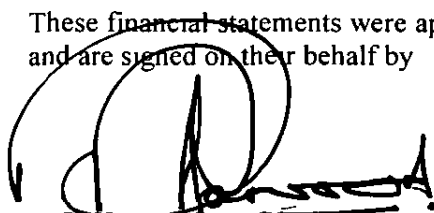
CENTRO GROUP LIMITED

BALANCE SHEET

31ST MARCH 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	2	<u>3,337,680</u>	<u>3,338,700</u>
CURRENT ASSETS			
Stocks	3	1,450	1,400
Debtors	4	505,767	149,652
Cash at bank		44,908	341,824
TOTAL CURRENT ASSETS		<u>552,125</u>	<u>492,876</u>
CREDITORS: Amounts falling due within one year			
Amounts paid within one month		3,444	10,028
Mortgage		—	60,490
Trade creditors		981	6,130
Other creditors including taxation and social security	5	39,162	38,523
Accruals and deferred income		<u>34,507</u>	<u>31,351</u>
TOTAL CURRENT LIABILITIES		<u>78,094</u>	<u>146,522</u>
NET CURRENT ASSETS		<u>474,031</u>	<u>346,354</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,811,711</u>	<u>3,685,054</u>
CREDITORS: Amounts falling due after more than one year			
Amounts owed to group undertakings		104,491	55,991
Mortgage		<u>899,807</u>	<u>834,514</u>
		(1,004,298)	(890,505)
PROVISIONS FOR LIABILITIES			
Deferred taxation	8	(214)	(295)
		<u>(1,004,512)</u>	<u>(890,800)</u>
		<u>2,807,199</u>	<u>2,794,254</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	75	75
Revaluation reserve	14	2,652,653	2,652,653
Profit and loss account		154,471	141,526
SHAREHOLDERS' FUNDS	15	<u>2,807,199</u>	<u>2,794,254</u>

These financial statements were approved by the directors and authorised for issue on
and are signed on their behalf by



R P Harwood FRICS
Director

27/10/08

CENTRO GROUP LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MARCH 2008

		2008	2007
	Note	£	£
TURNOVER	16	614,021	521,125
Cost of sales		(255,923)	(216,175)
GROSS PROFIT		358,098	304,950
Administrative expenses		(277,628)	(251,877)
Other operating income		250	250
OPERATING PROFIT	17	80,720	53,323
Interest receivable		4	—
Interest payable and similar charges	19	(64,436)	(42,048)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		16,288	11,275
Tax on profit on ordinary activities	20	(3,343)	(2,722)
PROFIT FOR THE FINANCIAL YEAR		12,945	8,553
Balance brought forward		141,526	132,973
Balance carried forward		154,471	141,526

All of the activities of the company are classed as continuing

CENTRO GROUP LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31ST MARCH 2008

	2008	2007
	£	£
Profit for the financial year attributable to the shareholders	12,945	8,553
Unrealised profit on revaluation of certain fixed assets	—	545,000
Total gains and losses recognised since the last annual report	<u>12,945</u>	<u>553,553</u>

The notes on pages 10 to 19 form part of these financial statements.

CENTRO GROUP LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31ST MARCH 2008

	Note	2008 £	2007 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		(277,681)	87,773
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		4	–
Interest paid		(64,436)	(42,048)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(64,432)	(42,048)
TAXATION		(2,785)	(4,188)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(344,898)	41,537
FINANCING			
(Repayment of)/increase in debenture loans		(65,811)	29,799
Repayment of long-term amounts owed to group undertakings		48,500	10,000
Net inflow from other long-term creditors		65,293	305,989
Repayment of directors' long-term loans		–	(4,576)
NET CASH INFLOW FROM FINANCING		47,982	341,212
(DECREASE)/INCREASE IN CASH		(296,916)	382,749
RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES			
		2008 £	2007 £
Operating profit		80,720	53,323
Depreciation		1,020	1,050
(Increase)/decrease in stocks		(50)	900
(Increase)/decrease in debtors		(356,115)	28,463
(Decrease)/increase in creditors		(3,256)	4,037
Net cash (outflow)/inflow from operating activities		(277,681)	87,773

The notes on pages 10 to 19 form part of these financial statements.

CENTRO GROUP LIMITED
CASH FLOW STATEMENT *(continued)*
YEAR ENDED 31ST MARCH 2008

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2008 £	2007 £
(Decrease)/increase in cash in the period	(296,916)	382,749
Net cash outflow from/(inflow) from debenture loans	65,811	(29,799)
Net cash (inflow) from long-term amounts owed to group undertakings	(48,500)	(10,000)
Net cash (inflow) from other long-term creditors	(65,293)	(305,989)
Cash outflow from directors' long-term loans	—	4,576
	<u>(344,898)</u>	<u>41,537</u>
Change in net debt	(344,898)	41,537
Net debt at 1 April 2007	(614,492)	(656,029)
Net debt at 31 March 2008	<u>(959,390)</u>	<u>(614,492)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2007 £	Cash flows £	At 31 Mar 2008 £
Net cash			
Cash in hand and at bank	341,824	(296,916)	44,908
Debt			
Debt due within 1 year	(65,811)	65,811	—
Debt due after 1 year	(890,505)	(113,793)	(1,004,298)
	<u>(956,316)</u>	<u>(47,982)</u>	<u>(1,004,298)</u>
Net debt	<u>(614,492)</u>	<u>(344,898)</u>	<u>(959,390)</u>

CENTRO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and financial instruments

Turnover

Turnover shown in the profit and loss account represents amounts receivable for services provided including ground rent, lease extension and property insurance. The turnover also includes estimates of work done but not yet invoiced in respect of contracts for on-going services

Fixed assets

All fixed assets are recorded at cost or market value

Depreciation

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

Motor vehicles - Depreciated to market value annually

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year

This is in accordance with SSAP 19 which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

CENTRO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2008

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Deferred taxation

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

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned

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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoice amounts less provisions for any doubtful debts. Bad debts are written off when identified

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less

CENTRO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2008

1. ACCOUNTING POLICIES *(continued)*

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process

2. TANGIBLE FIXED ASSETS

	Freehold Investment Property £	Motor Vehicles £	Total £
COST OR VALUATION			
At 1st April 2007 and 31st March 2008	<u>3,335,000</u>	<u>12,063</u>	<u>3,347,063</u>
DEPRECIATION			
At 1st April 2007	–	8,363	8,363
Charge for the year	–	1,020	1,020
At 31st March 2008	<u>–</u>	<u>9,383</u>	<u>9,383</u>
NET BOOK VALUE			
At 31st March 2008	<u>3,335,000</u>	<u>2,680</u>	<u>3,337,680</u>
At 31st March 2007	<u>3,335,000</u>	<u>3,700</u>	<u>3,338,700</u>

Freehold investment properties were revalued at open market value of £3,335,000 at the year end by the Managing Director Mr R P Harwood FRICS. The historical cost of these properties was £682,347. The aggregate surplus of £2,652,653 on revaluation has been transferred to the revaluation reserve.

3. STOCKS

	2008 £	2007 £
Stock	<u>1,450</u>	<u>1,400</u>

CENTRO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2008

4. DEBTORS

	2008	2007
	£	£
Trade debtors	—	88
Amounts owed by group undertakings	430,367	141,108
Amounts owed by related parties	70,000	—
Other debtors	1,839	1,839
Prepayments and accrued income	3,561	6,617
	<u>505,767</u>	<u>149,652</u>

The debtors above include the following amounts falling due after more than one year

	2008	2007
	£	£
Amounts owed by group undertakings	430,367	141,108
Amounts owed by related parties	70,000	—
	<u>500,367</u>	<u>141,108</u>

5. CREDITORS: Amounts falling due within one year**OTHER CREDITORS**

	2008	2007
	£	£
Corporation tax	3,424	2,785
PAYE and social security	—	—
Other creditors	35,738	35,738
	<u>39,162</u>	<u>38,523</u>

The following liabilities disclosed under creditors falling due within one year are secured

	2008	2007
	£	£
Mortgage	—	65,811

6. CREDITORS: Amounts falling due after more than one year

	2008	2007
	£	£
Amounts owed to group undertakings	104,491	55,991
Mortgage	899,807	834,514
	<u>1,004,298</u>	<u>890,505</u>

CENTRO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2008

The following liabilities disclosed under creditors falling due after more than one year are secured

	2008 £	2007 £
Mortgage	<u>899,807</u>	<u>834,514</u>

The mortgage is secured by debentures dated 29th August 1996 and 19th December 2002 over the property assets of the company. The loan is interest only and the capital amount that falls due for payment after five years is £899,807. The interest rate is equal to LIBOR plus 1.2% and the mortgage redemption date is 29 March 2017.

7. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows

	2008 £	2007 £
Amounts repayable		
In one year or less or on demand	–	65,811
In more than one year but not more than two years	–	70,279
In more than two years but not more than five years	–	240,791
In more than five years	<u>899,807</u>	<u>523,444</u>
	<u>899,807</u>	<u>900,325</u>

8. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2008 £	2007 £
Provision brought forward	295	358
Profit and loss account movement arising during the year	<u>(81)</u>	<u>(63)</u>
Provision carried forward	<u>214</u>	<u>295</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2008 £	2007 £
Excess of taxation allowances over depreciation on fixed assets	<u>214</u>	<u>295</u>
	<u>214</u>	<u>295</u>

CENTRO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2008

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, being

(a) to finance its operations,

(b) to manage its exposure to interest arising from its operations and from its sources of finance, and

(c) for trading purposes

The company's financial instruments consist of cash, liquid resources, bank loans and overdrafts, mortgages, trade debtors and creditors and other debtors and creditors arising directly from its business operations

The significant financial assets and liabilities that the company had at the year end, other than short term debtors and creditors were amounts owed by group undertakings and mortgage which is subject to LIBOR rates plus 1 2% Further details of these financial assets and liabilities are shown in notes 4,5 and 6

10. CONTINGENCIES

The bank holds a cross guarantee between Centro PLC, Centro Commercial Limited, Centro Group Limited and Centro Services Limited as security for the group overdraft facilities

11. TRANSACTIONS WITH THE DIRECTORS

Rent of £6,400 (2007-£6,400) was payable to Core Property representing the freehold interests of the directors, R P Harwood and D E Walker

12. RELATED PARTY TRANSACTIONS

The company was under the immediate control of Centro Plc and the ultimate control of Mr R P Harwood FRICS throughout the current and previous year

Other members of the group controlled by Centro Plc are Centro Services Limited and Centro Commercial 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

Included in the Administrative Expenses is an amount of £123,000 (2007 £128,450) payable to Centro Plc and £48,500 (2007 £10,000) payable to Centro Commercial Ltd in respect of management services The Bank overdraft facility during the year was partly secured by a guarantee provided by the directors up to a limit of £25,000

During the year a loan of £70,000 was made to Centro Residential Sales & Lettings Limited, a company in which the directors have interests in the share capital The amount outstanding at the year end was £70,000 and is included in the Debtors note

CENTRO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2008

13. SHARE CAPITAL**Authorised share capital:**

	2008 £	2007 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2008 No.	£	2007 No.	£
Ordinary shares of £1 each	<u>75</u>	<u>75</u>	<u>75</u>	<u>75</u>

14. REVALUATION RESERVE

	2008 £	2007 £
Balance brought forward	2,652,653	2,107,653
Revaluation of fixed assets	—	545,000
Balance carried forward	<u>2,652,653</u>	<u>2,652,653</u>

No provision has been made for deferred taxation on gains recognised on revaluing property to its market value. The total amount unprovided for is £675,805. Such tax would be payable only if the property were sold. At present, it is not envisaged that any tax will become payable in the foreseeable future.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	12,945	8,553
Other net recognised gains and losses	—	545,000
Net addition to shareholders' funds	12,945	553,553
Opening shareholders' funds	2,794,254	2,240,701
Closing shareholders' funds	<u>2,807,199</u>	<u>2,794,254</u>

16. TURNOVER

The turnover and profit before tax are attributable to the activities described in note 1 above. An analysis of turnover is given below.

	2008 £	2007 £
United Kingdom	<u>614,021</u>	<u>521,125</u>

CENTRO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2008

17. OPERATING PROFIT

Operating profit is stated after charging

	2008	2007
	£	£
Directors' emoluments	—	—
Depreciation of owned fixed assets	1,020	1,050
Auditor's remuneration		
- as auditor	2,900	2,800
Operating lease costs		
Buildings	<u>6,367</u>	<u>6,400</u>

18. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2008	2007
	No.	No
Number of administrative staff	<u>2</u>	<u>2</u>

The aggregate payroll costs of the above were

	2008	2007
	£	£
Wages and salaries	77,861	81,861
Social security costs	8,780	8,641
	<u>86,641</u>	<u>90,502</u>

19. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Interest payable on bank borrowing	6	70
Other similar charges payable	64,430	41,978
	<u>64,436</u>	<u>42,048</u>

CENTRO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2008

20. TAXATION ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2008	2007
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 20% (2007 - 19%)	3,424	2,785
Total current tax	<u>3,424</u>	<u>2,785</u>
Deferred tax		
Origination and reversal of timing differences	(81)	(63)
Tax on profit on ordinary activities	<u>3,343</u>	<u>2,722</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2007 - 19%)

	2008	2007
	£	£
Profit on ordinary activities before taxation	<u>16,288</u>	<u>11,275</u>
Profit on ordinary activities by rate of tax	3,258	2,142
Expenses not deductible for tax purposes	120	627
Depreciation for period in excess of capital allowances	96	63
Non-taxable income	(50)	(47)
Total current tax (note 20(a))	<u>3,424</u>	<u>2,785</u>

(c) Factors that may affect future tax charges

No provision has been made for deferred tax £675,805. Such tax would become payable only if the property were sold. At present, it is not envisaged that any tax will become payable in the foreseeable future.

21. ULTIMATE PARENT COMPANY

The company is a 76% subsidiary of Centro Plc which is also the ultimate parent company.