

Registered number: 03772441

CENTRO HOLDINGS (UK) LIMITED

**ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**



CENTRO HOLDINGS (UK) LIMITED

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CENTRO HOLDINGS (UK) LIMITED

COMPANY INFORMATION

DIRECTORS

O Bossard
T Jackson
C Maher
M Peel
J Skwarlo
R Vogelaar

REGISTERED NUMBER

03772441

REGISTERED OFFICE

1 Ariel Way
London
W12 7SL
United Kingdom

INDEPENDENT AUDITORS

Ernst & Young LLP
Statutory Auditor

CENTRO HOLDINGS (UK) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their strategic report for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the Company and Group are property development and the management of retail and leisure facilities, held in Germany.

The key financial performance indicators during the year were as follows:

Financial	2022 €000	2021 €000	Change
Turnover	94,788	69,436	36.5%
Group operating profit	72,136	40,899	76.4%
Equity shareholders' funds	586,211	622,349	(5.8)%
Market value of investment property	1,501,377	1,577,462	(4.8)%
Net assets	620,512	657,528	(5.6)%

The market value of the investment property decreased by 4.8% from €1,577.5 million in 2021 to €1,501.4 million in 2022. The Group recognised a revaluation loss of €88 million in 2022 compared to a revaluation loss of €211.7 million in 2021. Group turnover increased by 36.5%.

In addition to turnover, profit and the value of investment property, the Directors' other main key performance indicator is the ability of the business to generate cash for reinvestment or distribution to the shareholders. During the year Group cash increased by €2.3 million.

Following a difficult year due to the pandemic, the Board of Directors is pleased to report that the company's financial performance has improved substantially. The increased revenue and profitability reflect the company's collective effort and commitment in adapting to a changing environment and meeting consumer demands. The board of directors is confident that the company is well positioned for future development and success.

The business plan for Centro Holdings (UK) Limited aims to both maintain and strengthen the position of the Company and Group in the market, through the improvement of the customer experience and brand recognition.

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 Group's success for the benefit of its members as a whole. The Board maintains oversight of the Group's performance and reserves to itself specific matters for approval, including the 5 year business plan and any new strategic initiatives.

The Directors understand the business and the evolving environment in which the Group operates. The strategy set by the Board is intended to strengthen the Group's position as manager 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 the business is dependent on stakeholders and the external impact of the business activities on society. The long term strategy of Centro Holdings (UK) 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.

Delivering the strategy requires strong mutually beneficial relationships with suppliers, customers and joint-venture partners, and in particular the Group's tenants. The Group'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, for example retail experience event proposals. The Directors of the Company ensure regular communication so that both Centro and the retail tenants continue to benefit from their commercial engagement.

CENTRO HOLDINGS (UK) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

SECTION 172 STATEMENT (continued)

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

Centro Holdings (UK) Limited is jointly controlled by CPPIB US RE-3, Inc and Belindam BV, a subsidiary of Unibail-Rodamco-Westfield SE, a company listed in France. The director representatives 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.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal group risks include exposure to fluctuations in property yields, interest rates, and the performance of retail tenants. The group has a policy of mitigating its risks by concentrating on prominent retail properties that will attract a diverse range of high-quality, reputable retail tenants.

Exchange risk

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

Interest rate risk


The Group successfully refinanced the long-term external bank loan in 2022 for a term of 7 years. As a consequence of this recent refinancing, the company's exposure to interest rate risk has decreased.

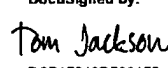
Credit risk

During 2020 and 2021, the company's credit exposure was predominantly due to the deferral of tenancy rentals as a result of store closures caused by the COVID-19 pandemic, which prevented tenants from generating income to pay their rent. However, the majority of these deferred rent payments have now been collected, mitigating the associated credit risk.

05 december 2023

This report was approved by the Board of Directors on and signed on their behalf by:

DocuSigned by:

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Ruud Vogelaar
Director

DocuSigned by:

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Tom Jackson
Director

CENTRO HOLDINGS (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their annual report and the audited consolidated financial statements of Centro Holdings (UK) Limited (the "Company") for the year ended 31 December 2022.

RESULTS AND DIVIDENDS

The consolidated loss for the financial year after taxation amounted to €37,092,000 (2021: loss of €170,378,000). Dividends of €nil (2021: €nil) were declared and paid during the year.

DIRECTORS

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

O Bossard
A Burlin (resigned 1 June 2023)
T Jackson (appointed 25 July 2023)
C Maher
A A Orlandi (resigned 30 June 2023)
M Peel
J Skwarlo (appointed 1 June 2023)
R Vogelaar

GOING CONCERN

The Directors have assessed the ability of the Group and Company to continue as a going concern by reviewing their forecast cashflows over the period to 5 December 2024 ('the going concern review period'). The Directors note that the Group's €700m fixed rate external loan due on 22 July 2022 was successfully refinanced on 14 June 2022. The new loan has a repayment date of 14 June 2029, bears interest at a rate of 3.32% per annum plus an additional margin of between 0% and 0.1% depending on the Group's CSR KPI performance and has certain covenants and security arrangements attached. In addition, the Group and Company have related party loans from CPPIB US RE-3, Inc. and Belindam BV totalling €61.3m, where the related party lenders have the right to request repayment annually by 31 December for repayment the following January. No such request was made as at 31 December 2022. However, the related party lenders have the right to request that repayment of the loans is made on 31 January 2024, provided notice is given by 31 December 2023. The Parent Company is also funded by a €74.5m repayable-on-demand loan from a subsidiary undertaking.

The directors have prepared base line and downside cashflow forecasts for the Group and Company taking into account the impact of the COVID-19 pandemic. The effect of the pandemic on the Group's business principally relates to the recovery of rentals from and / or the granting of rent concessions to, tenants who suffered financially as a result of their inability to open their stores in the centre from 8 March 2020 to 11 May 2020 and from 16 December 2020 to 28 May 2021. The key assumptions in the base line and downside forecasts are in relation to the level of net rent recoverable in the going concern review period.

The Directors note that letters of intent have been obtained from CPPIB US RE-3, Inc. and Belindam BV confirming that the shareholders have no intention to demand repayment of the outstanding loans which would put the Group and Company into a going concern risk for the going concern review period; albeit that these letters of intent are not unconditional and have been drafted such that they do not create any legally binding obligations for the shareholders. In addition, the Directors note that a letter of intent has been obtained from the Company's subsidiary undertaking. The letter of intent confirms that for a period of twelve months from the date of approval of the financial statements, the subsidiary 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 its intention to recall any intercompany balances due from the Company within the going concern review period. After making appropriate enquiries, the Directors are confident that the subsidiary has the resources to provide such support; albeit that again the letter of intent is not unconditional and has been drafted such that it does not create, any legally binding obligations for the subsidiary undertaking.

CENTRO HOLDINGS (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

GOING CONCERN (continued)

If CPPIB US RE-3, Inc. and Belindam BV were to call in the related party loans, the Group and Company may not be able to meet their liabilities as they fall due and therefore this indicates the existence of a material uncertainty that may cast significant doubt upon the Group and Company's ability to continue as a going concern. Further, if the financial support from the subsidiary undertaking referred to above is not provided as required and /or if the subsidiary undertaking were to call in the on-demand intercompany loan, the Company may not be able to meet its liabilities as they fall due and therefore this indicates the existence of another 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 future cashflows and the letters of intent provided as set out above, the Directors are confident that the Group and Company will be able to: maintain compliance with the external loan covenants; meet their liabilities as they fall due; and continue in operational existence for the going concern review period. Accordingly, the Directors consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

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

CHARITABLE AND POLITICAL CONTRIBUTIONS

The Group made charitable donations of €nil (2021: €nil) and political donations of €nil (2021: €nil).

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 Group companies, against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors are responsible for preparing the Group 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 Group and the Company and of the profit or loss of the Group 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 Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CENTRO HOLDINGS (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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.

INDEPENDENT AUDITORS

Ernst & Young LLP has held office as auditors of the Company in relation to the 2022 financial year. In accordance with the EU Audit Directive, one of the company's ultimate joint venture partners Unibail-Rodamco-Westfield SE ("URWSE") was required to appoint a new joint auditor at the end of Ernst & Young LLP's mandatory rotation period for the URWSE Group. Following a tender process, KPMG LLP will replace Ernst & Young LLP as a joint auditor of the URWSE Group. As a consequence of the above, KPMG LLP will be appointed auditor of the Company following approval of these financial statements.

This report was approved by the Board of Directors on 05 december 2023 and signed on its behalf by:

DocuSigned by:

D50E97B1471B4E5...
Ruud Vogelaar
Director

DocuSigned by:

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Tom Jackson
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CENTRO HOLDINGS (UK) LIMITED

Opinion

We have audited the financial statements of Centro Holdings (UK) Limited ('the Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the consolidated statement of comprehensive income, the consolidated and Parent Company statement of financial position, the consolidated and Parent Company statement of changes in equity, the consolidated statement of cashflows, and the related notes 1 to 31, 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 Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's 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 Group and Parent 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 uncertainties related to going concern

We draw attention to note 2.4 Going Concern in the financial statements, which explains that the Group and Parent Company have shareholder loans totalling €61.3m which can be called in on 31 January 2024. The note explains that letters of intent have been obtained from the shareholders confirming that the shareholders have no intention to demand repayment of the outstanding loans which would put the Group and Company into a going concern risk for the period to 5 December 2024 ('the going concern review period'). However, these letters are not unconditional and have been drafted such that they do not create any legally binding obligations for the shareholders. There is a risk therefore that the loans are called in by the shareholders and that the Group and Parent Company may not be able to meet their liabilities as they fall due.

In addition, the note explains that the Parent Company has a repayable on demand loan due to a subsidiary undertaking of €74.5m. The note states that the Parent Company has received a letter of intent from the subsidiary undertaking confirming that it will make available such funds as are required to enable the Parent Company to meet its liabilities as they fall due in the going concern review period and that it is not its intention to recall any intercompany loan balances due from the Parent Company for the going concern review period. However, this letter is not unconditional and has been drafted such that it does not create any legally binding obligations for the subsidiary undertaking. There is a risk therefore that financial support is not provided as required and/or the loan is called in such that the Parent Company may not be able to meet its liabilities as they fall due.

As stated in Note 2.4, these events or conditions, along with other matters set forth in Note 2.4, indicate that material uncertainties exist that may cast significant doubt on the Group and Parent 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 Group and Parent Company's ability to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CENTRO HOLDINGS (UK) LIMITED

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.

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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 Group and the Parent 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 Parent Company 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 7, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CENTRO HOLDINGS (UK) LIMITED

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.

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 Group and Parent 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 regulation in the UK as well as the Bürgerliches Gesetzbuch (a legislative summary of regulations between landlord and tenant in Germany), anti-money laundering legislation and employment regulations.
- We understood how the Group and Parent Company are complying with those frameworks by making enquiries of management to understand how the Group and Parent Company maintain their 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 Group and Parent Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue recognition and investment property valuation to be fraud risks. In response, we performed audit procedures including: testing manual journals posted to revenue and investment property; vouching a sample of revenue to underlying lease agreements and bank statements; reviewing the correlation between revenue, cash and debtors to identify any further risks of misstatement and considering the validity of the carrying value of the investment property by assessing the appropriateness of the key assumptions utilised in the valuation prepared by the external valuer, including: forecast rental income, exit cap rate and discount rate; with the assistance of our Real Estate valuation team.
- 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CENTRO HOLDINGS (UK) LIMITED

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.

Ernst & Young LLP

Peter Campbell (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: **05 December 2023**

CENTRO HOLDINGS (UK) LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022**

		2022	2021
	Note	€000	€000
Turnover	4	94,788	69,436
Cost of sales	4	(25,640)	(30,318)
Gross profit		69,148	39,118
Administrative expenses		(4,362)	(4,329)
Other operating income	6	7,350	6,110
Operating profit	7	72,136	40,899
Decrease in revaluation of investment property	17	(87,969)	(211,685)
Loss on ordinary activities before interest and taxation		(15,833)	(170,786)
Interest receivable and similar income	11	92	2
Interest payable and similar charges	12	(27,783)	(27,555)
Loss on ordinary activities before taxation		(43,524)	(198,339)
Tax credit on loss on ordinary activities	13	6,432	27,961
Loss for the financial year		(37,092)	(170,378)
Translation of net assets of subsidiary undertakings		76	197
Other comprehensive income for the financial year		76	197
Total comprehensive loss for the financial year		(37,016)	(170,181)
Loss for the financial year attributable to:			
Non-controlling interests		(878)	(9,077)
Owners of the Parent Company		(36,214)	(161,301)
		(37,092)	(170,378)
Total comprehensive loss for the financial year attributable to:			
Non-controlling interests		(878)	(9,077)
Owners of the Parent Company		(36,138)	(161,104)
		(37,016)	(170,181)

The notes on pages 20 to 38 form part of these financial statements.

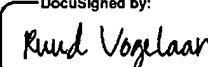
CENTRO HOLDINGS (UK) LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022**

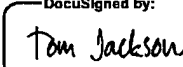
	Note	2022 €000	2021 €000
Investment property	17	<u>1,492,944</u>	<u>1,571,002</u>
Current assets			
Stocks	18	12	2
Debtors: amounts falling due after more than one year	19	754	708
Debtors: amounts falling due within one year	19	20,289	19,494
Cash at bank and in hand	20	<u>56,757</u>	<u>54,496</u>
		77,812	74,700
Creditors: amounts falling due within one year	21	<u>(44,707)</u>	<u>(829,633)</u>
Net current assets/(liabilities)		33,105	(754,933)
Total assets less current liabilities		1,526,049	816,069
Creditors: amounts falling due after more than one year	22	(753,854)	-
Deferred taxation	24	<u>(151,683)</u>	<u>(158,541)</u>
Net assets		<u>620,512</u>	<u>657,528</u>
Capital and reserves			
Called up share capital	25	3	3
Share premium account	26	164,884	164,884
Capital contribution	26	6,374	6,374
Merger reserve	26	1,166	1,166
Profit and loss account	26	<u>413,784</u>	<u>449,922</u>
Equity attributable to owners of the Parent Company		586,211	622,349
Non-controlling interests		<u>34,301</u>	<u>35,179</u>
Total shareholders' funds		<u>620,512</u>	<u>657,528</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on

05 december 2023

..... by:

DocuSigned by:

D50E97B1471B4E5...
Ruud Vogelaar
Director

DocuSigned by:

DC74F948D536455...
Tom Jackson
Director

The notes on pages 20 to 38 form part of these financial statements.


CENTRO HOLDINGS (UK) LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022**


	Note	2022 €000	2021 €000
Fixed assets			
Investments	16	<u>278,473</u>	<u>278,473</u>
Current assets			
Debtors: amounts falling due after more than one year	19	21,714	21,073
Debtors: amounts falling due within one year	19	<u>6,243</u>	<u>6,946</u>
		27,957	28,019
Creditors: amounts falling due within one year	21	<u>(75,406)</u>	<u>(133,079)</u>
Net current liabilities		<u>(47,449)</u>	<u>(105,060)</u>
Total assets less current liabilities		<u>231,024</u>	<u>173,413</u>
Creditors: amounts falling due after more than one year	22	<u>(58,668)</u>	-
Net assets		<u>172,356</u>	<u>173,413</u>
Capital and reserves			
Called up share capital	25	3	3
Share premium account	26	164,884	164,884
Capital contribution	26	6,374	6,374
Profit and loss account		<u>1,095</u>	<u>2,152</u>
		<u>172,356</u>	<u>173,413</u>

The company's loss for the period amounts to €1,057,000. (2021: €696,000)

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on

05 december 2023
..... by:

DocuSigned by:

Ruud Vogelaar
Director

DocuSigned by:

Tom Jackson
Director

The notes on pages 20 to 38 form part of these financial statements.

CENTRO HOLDINGS (UK) LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital €000	Share premium account €000	Capital contribution €000	Merger reserve €000	Profit and loss account €000	Equity attributable to owners of parent company €000	Non- controlling interests €000	Total equity €000
At 1 January 2022	3	164,884	6,374	1,166	449,922	622,349	35,179	657,528
Comprehensive income for the year								
Loss for the financial year	-	-	-	-	(36,214)	(36,214)	(878)	(37,092)
Translation of net assets of subsidiary undertakings	-	-	-	-	76	76	-	76
Other comprehensive income for the financial year	-	-	-	-	76	76	-	76
Total comprehensive loss for the financial year	-	-	-	-	(36,138)	(36,138)	(878)	(37,016)
At 31 December 2022	3	164,884	6,374	1,166	413,784	586,211	34,301	620,512

The notes on pages 20 to 38 form part of these financial statements.

CENTRO HOLDINGS (UK) LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital €000	Share premium account €000	Capital contribution €000	Merger reserve €000	Profit and loss account €000	Equity attributable to owners of parent company €000	Non- controlling interests €000	Total equity €000
At 1 January 2021	3	164,884	6,374	1,166	611,026	783,453	44,256	827,709
Comprehensive income for the year	-	-	-	-	(161,301)	(161,301)	(9,077)	(170,378)
Loss for the financial year	-	-	-	-	(161,301)	(161,301)	(9,077)	(170,378)
Translation of net assets of subsidiary undertakings	-	-	-	-	197	197	-	197
Other comprehensive income for the financial year	-	-	-	-	197	197	-	197
Total comprehensive loss for the financial year	-	-	-	-	(161,104)	(161,104)	(9,077)	(170,181)
At 31 December 2021	3	164,884	6,374	1,166	449,922	622,349	35,179	657,528

The notes on pages 20 to 38 form part of these financial statements.

CENTRO HOLDINGS (UK) LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital €000	Share premium account €000	Capital contribution €000	Profit and loss account €000	Total equity €000
At 1 January 2022	3	164,884	6,374	2,152	173,413
Comprehensive loss for the financial year	-	-	-	(1,057)	(1,057)
Loss for the financial year					
Total comprehensive loss for the financial year	-	-	-	(1,057)	(1,057)
At 31 December 2022	3	164,884	6,374	1,095	172,356

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital €000	Share premium account €000	Capital contribution €000	Profit and loss account €000	Total equity €000
At 1 January 2021	3	164,884	6,374	2,848	174,109
Comprehensive loss for the financial year	-	-	-	(696)	(696)
Loss for the financial year					
Total comprehensive loss for the financial year	-	-	-	(696)	(696)
At 31 December 2021	3	164,884	6,374	2,152	173,413

The notes on pages 20 to 38 form part of these financial statements.

CENTRO HOLDINGS (UK) LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 €000	2021 €000
Cash flows from operating activities		
Loss for the financial year	(37,092)	(170,378)
Adjustments for:		
Revaluation of investment property	87,969	211,685
Tenant contributions	92	824
Amortisation of lease incentives	347	303
Net finance costs	27,691	27,553
(Increase)/decrease in stocks	(10)	3
(Increase)/decrease in debtors	(1,280)	403
(Decrease)/increase in creditors	(8,524)	11,755
Taxation credit	(6,432)	(27,961)
Taxation paid	(853)	(158)
Movement in fixed assets, debtors and creditors due to retranslation	70	203
Net cash from operating activities	61,978	54,232
Cash flows from investing activities		
Additions to investment properties	(9,911)	(6,893)
Net cash used in investing activities	(9,911)	(6,893)
Cash flows from financing activities		
Interest paid	(23,333)	(26,728)
Interest received	92	-
Issue costs on new long term bank loan	(5,232)	-
Break costs of long term bank loan	(1,339)	-
Repayment of long term bank loan	(700,000)	-
New long term bank loan	700,000	-
Repayment of loans from related parties	(20,000)	-
Net cash used in financing activities	(49,812)	(26,728)
Increase in cash and cash equivalents	2,255	20,611
Cash and cash equivalents at beginning of year	54,496	33,891
Exchange difference	6	(6)
Cash and cash equivalents at the end of year	56,757	54,496
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	56,757	54,496

RECONCILIATION OF NET DEBT FOR THE YEAR ENDED 31 DECEMBER 2022

	At 01 Jan 2022 €000	Cash Flows €000	Non-Cash Changes €000	Changes in Exchange rate €000	At 31 Dec 2022 €000
Cash and Cash equivalents	54,496	2,255	-	6	56,757
Bank loans	699,544	(5,232)	874	-	695,186
Loans – related parties	78,668	(20,000)	-	-	58,668
Net debt	832,708	(22,977)	874	6	810,611

CENTRO HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

Centro Holdings (UK) Limited (the "Company") is engaged in property development and the management of retail and leisure facilities, held in Germany.

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.

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 as modified by the revaluation of investment property and in accordance with Financial Reporting Standard 102 ('FRS102'), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied consistently throughout the year:

2.2 FRS102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS102:

- 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, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments Issues paragraphs 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

2.3 Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and all its subsidiaries ("the Group") drawn up to 31 December each year. Intercompany transactions and balances between Group companies are eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

CENTRO HOLDINGS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****2. ACCOUNTING POLICIES (continued)****2.3 Basis of consolidation (continued)**

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

2.4 Going concern

The Directors have assessed the ability of the Group and Company to continue as a going concern by reviewing their forecast cashflows over the period to 5 December 2024 ('the going concern review period'). The Directors note that the Group's €700m fixed rate external loan due on 22 July 2022 was successfully refinanced on 14 June 2022. The new loan has a repayment date of 14 June 2029, bears interest at a rate of 3.32% per annum plus an additional margin of between 0% and 0.1% depending on the Group's CSR KPI performance and has certain covenants and security arrangements attached. In addition, the Group and Company have related party loans from CPPIB US RE-3, Inc. and Belindam BV totalling €61.3m, where the related party lenders have the right to request repayment annually by 31 December for repayment the following January. No such request was made as at 31 December 2022. However, the related party lenders have the right to request that repayment of the loans is made on 31 January 2024, provided notice is given by 31 December 2023. The Parent Company is also funded by a €74.5m repayable-on-demand loan from a subsidiary undertaking.

The directors have prepared base line and downside cashflow forecasts for the Group and Company taking into account the impact of the COVID-19 pandemic. The effect of the pandemic on the Group's business principally relates to the recovery of rentals from and / or the granting of rent concessions to, tenants who suffered financially as a result of their inability to open their stores in the centre from 8 March 2020 to 11 May 2020 and from 16 December 2020 to 28 May 2021. The key assumptions in the base line and downside forecasts are in relation to the level of net rent recoverable in the going concern review period.

The Directors note that letters of intent have been obtained from CPPIB US RE-3, Inc. and Belindam BV confirming that the shareholders have no intention to demand repayment of the outstanding loans which would put the Group and Company into a going concern risk for the going concern review period; albeit that these letters of intent are not unconditional and have been drafted such that they do not create any legally binding obligations for the shareholders. In addition, the Directors note that a letter of intent has been obtained from the Company's subsidiary undertaking. The letter of intent confirms that for a period of twelve months from the date of approval of the financial statements, the subsidiary 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 its intention to recall any intercompany balances due from the Company within the going concern review period. After making appropriate enquiries, the Directors are confident that the subsidiary has the resources to provide such support; albeit that again the letter of intent is not unconditional and has been drafted such that it does not create, any legally binding obligations for the subsidiary undertaking.

If CPPIB US RE-3, Inc. and Belindam BV were to call in the related party loans, the Group and Company may not be able to meet their liabilities as they fall due and therefore this indicates the existence of a material uncertainty that may cast significant doubt upon the Group and Company's ability to continue as a going concern. Further, if the financial support from the subsidiary undertaking referred to above is not provided as required and /or if the subsidiary undertaking were to call in the on-demand intercompany loan, the Company may not be able to meet its liabilities as they fall due and therefore this indicates the existence of another material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

CENTRO HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

2.4 Going concern (continued)

Notwithstanding this, based on their assessment of future cashflows and the letters of intent provided as set out above, the Directors are confident that the Group and Company will be able to: maintain compliance with the external loan covenants; meet their liabilities as they fall due; and continue in operational existence for the going concern review period. Accordingly, the Directors consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

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

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover comprises of operating and other rentals which are recognised on a straight-line basis, exclusive of Value Added Tax.

Rental income receivable is recognised on a straight-line basis over the term of the lease. Lease incentives are recognised on a straight-line basis over the term of the lease. Contingent rents, being lease payments that are not fixed at the inception of the lease, such as sales-based rents, are recorded as income in the period in which they are earned.

Service charge income and other income are recognised on an accruals basis in line with the service being provided.

2.6 Operating leases: Lessee

Rentals payable under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the period of the lease.

2.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

2.8 Valuation of 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. The Company has elected to treat the carrying amount of investments in subsidiaries under previous UK GAAP at the date of transition as deemed cost on transition.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowances for obsolete and slow-moving stocks.

2.10 Debtors

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

CENTRO HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

2.11 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of any bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.12 Financial instruments

The Group 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 Consolidated 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.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

2.13 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.

2.14 Foreign currency translation functional and presentation currency

The Group and Company's functional and presentational currency is Euro.

Transactions and balances

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

CENTRO HOLDINGS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****2. ACCOUNTING POLICIES (continued)****2.14 Foreign currency translation functional and presentation currency (continued)**

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 at the date when the 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 Consolidated Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of the UK operations are translated into Euros at rates approximating to those ruling when the transactions took place. All assets and liabilities of the UK operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.15 Finance costs

Finance costs are charged to the Consolidated 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.

2.16 Pensions***Defined contribution pension plan***

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.17 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.18 Current and deferred taxation

The tax expense for the year is comprised of current and deferred tax. Tax is recognised in the Consolidated 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 and the Group operate and generate income.

CENTRO HOLDINGS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****2. ACCOUNTING POLICIES (continued)****2.18 Current and deferred taxation (continued)**

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

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 Statement of Financial Position 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 the significant assumptions with regard to the consolidated accounts are the yield rates (i.e. exit cap rate and discount rate) implicit in the investment property valuation and the calculation of deferred tax on the revaluation. For the Company accounts, the Directors consider that only the assumptions utilised in assessing the impairment of investments in subsidiary undertakings could have a significant effect on amounts recognised in the financial statements of the parent entity.

4. TURNOVER

	2022	2021
	€000	€000
An analysis of turnover by class of business is as follows:		
Income receivable from properties let, excluding service charges	81,449	61,457
Service charges	13,339	7,979
	94,788	69,436

Income receivable from properties let includes contingent rental of €757,606 (2021: €236,400). Cost of sales includes €9,457,185 (2021: €11,512,563) relating to service charges.

All turnover arose in Germany.

CENTRO HOLDINGS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****5. OPERATING LEASES – Group as lessor**

The Group has entered into leases on its property portfolio. The property leases typically have lease terms between 5 and 15 years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Some leases contain options to break before the end of the lease term.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2022	2021
	€000	€000
Within 1 year	66,811	63,349
After 1 year, but not more than 5 years	199,245	154,538
More than 5 years	56,701	67,390
	<u>322,757</u>	<u>285,277</u>

6. OTHER OPERATING INCOME

	2022	2021
	€000	€000
Other operating income	<u>7,350</u>	<u>6,110</u>

7. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	€000	€000
Exchange differences	(199)	560
Operating lease rentals	1,259	1,252
Amortisation of lease incentives	<u>347</u>	<u>303</u>

8. AUDITORS' REMUNERATION

	2022	2021
	€000	€000
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	<u>207</u>	<u>215</u>

9. EMPLOYEES

Staff costs, including Directors' remuneration, were as follows:

	2022	2021
	€000	€000
Wages and salaries	330	354
Social security costs	33	25
Other pension costs	<u>18</u>	<u>15</u>
	<u>381</u>	<u>394</u>

CENTRO HOLDINGS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****9. EMPLOYEES (continued)**

The average number of employees, including the Directors, during the year was as follows:

	2022	2021
	Number	Number
Administration and management	3	4

10. DIRECTORS' REMUNERATION

During the year the Group paid no emoluments to the Directors (2021: none) for qualifying services provided to the Group and made no contributions to self-administered pension schemes for the Directors (2021: none).

All the Directors are appointed by Unibail-Rodamco-Westfield or Canada Pension Plan Investment Board. The Directors are remunerated by these entities for their services to those entities and no recharge is separately made to the Company for their services.

During the year retirement benefits were accruing to nil Directors (2021: nil) in respect of defined contribution pension schemes.

11. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	€000	€000
Other interest receivable	92	2

12. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	€000	€000
On bank loans and overdrafts	26,733	26,676
Other interest payable	1,050	879
	27,783	27,555

CENTRO HOLDINGS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****13. TAX ON LOSS ON ORDINARY ACTIVITIES**

	2022 €000	2021 €000
Corporation tax		
Current tax on loss for the year	-	-
Adjustments in respect of prior years	-	-
	-	-
Foreign tax		
Foreign tax on income for the year	426	339
Total current tax	426	339
Deferred tax		
Investment property revaluation	(10,649)	(29,267)
Losses carried forward	2,708	1,497
Other deferred balances	1,083	(530)
Total deferred tax	(6,858)	(28,300)
Tax on loss on ordinary activities	(6,432)	(27,961)

Factors affecting the total tax credit for the year

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 €000	2021 €000
Loss on ordinary activities before tax	(43,524)	(198,339)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(8,270)	(37,684)
Effects of:		
Expenses not deductible for tax purposes	(2,199)	314
Utilisation of tax losses	-	(42)
Effects of latent capital gains, deferred tax and revaluation	2,385	3,198
Adjustment in respect of prior years	(71)	-
Effects of other tax rates	1,723	6,253
Total tax credit for the year	(6,432)	(27,961)

CENTRO HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Deferred tax

Deferred tax assets of €43.75 million (2021: €47.1 million) have been recognised in respect of German losses carried forward and other deferred balances.

A deferred tax liability of €195.4 million (2021: €205.6 million) has been recognised and would arise in Germany on the sale of the property (before taking into account the use of losses).

Where provided, deferred tax has been calculated using a rate of 15.825%; this being the rate of German corporation tax.

At 31 December 2022, the Group had €129.3 million of unused tax losses (2021: €146.4million).

The timing differences and unused tax losses have no expiry date.

There are no income tax consequences that would result from the payment of dividends to the Company's shareholders.

Factors that may affect future tax charges

The standard rate of UK corporation tax is 19% and this took effect from 1 April 2017. In accordance with the Finance Act 2021, the rate increased to 25% from 1 April 2023.

14. DIVIDENDS

No dividends were paid or declared during the year (2021: none).

15. PARENT COMPANY PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the Parent Company for the year was €1,057,000 (2021: €696,000).

CENTRO HOLDINGS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****16. INVESTMENTS****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
CentrO Asset Management Limited	Great Britain	Ordinary	100%	Property development and provision of management services
CentrO Europe Limited*	Great Britain	Ordinary	94.98%	Investment holding company
CentrO Europe (No.2) Limited*	Great Britain	Ordinary	94.98%	General Partner
CentrO Projektentwicklungs GmbH*	Germany	Ordinary	94.98%	Retail development
CentrO Grundstücksentwicklungs GmbH*	Germany	Ordinary	94.98%	Retail development
CentrO Management GmbH*	Germany	Ordinary	94.98%	Retail development
CentrO Oberhausen GmbH*	Germany	Ordinary	100%	Retail development
SL Oberhausen Beteiligungs GmbH*	Germany	Ordinary	94.98%	Retail development and investment
Neue Mitte Oberhausen Projektentwicklung Verwaltungs Ltd & Co. KG*	Germany	Ordinary	95.4%	European investment holding undertaking
Neue Mitte Oberhausen Projektentwicklung Beteiligungs GmbH*	Germany	Ordinary	95.4%	European investment holding undertaking
Neue Mitte Oberhausen Projektentwicklung Ltd & Co. KG*	Germany	Ordinary	95.4%	Retail development and investment
Neue Mitte Oberhausen Objektverwaltung GmbH & Co. KG (newly founded in 2022)	Germany	Ordinary	95.4%	Retail development and investment

* *Investment held indirectly through CentrO Asset Management Limited*

All of the subsidiaries are included in the consolidated financial statements.

Company	Investments in subsidiary companies €000
Cost or deemed cost	
At 1 January 2022	278,473
At 31 December 2022	278,473
Net book value	
At 1 January 2022	278,473
At 31 December 2022	278,473

The registered office of subsidiaries incorporated in Great Britain is 1 Ariel Way, London W12 7SL. The registered office of subsidiaries incorporated in Germany is Klaus-Bungert Straße 1, Düsseldorf 40468, Germany.

CENTRO HOLDINGS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****17. INVESTMENT PROPERTY**

Group	Freehold investment property
Valuation	€000
At 1 January 2022	1,571,002
Additions at cost	9,911
Revaluations	(87,969)
At 31 December 2022	1,492,944

The Group's investment properties were revalued by Cushman & Wakefield, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment properties being valued, as at 31 December 2022 at €1,501,377,000 (2021: €1,577,462,000) on an open market value basis. The valuation as at 31 December 2022 of €1,492,943,000 (2021: €1,571,002,000) is stated net of €1,096,000 (2021: €1,004,000) of unamortised lease incentives and €7,338,000 (2021: €5,456,000) of unamortised rent incentives.

The valuation has been prepared in accordance with the appropriate sections of both the current Practice Statements contained within the RICS Valuation Professional Standards – July 2017 (the "Red Book").

The fair values of investment properties are calculated using the present value income approach. The terms of the leases in place at the valuation date determine the future cashflow profile of the property and therefore the basis of the valuation. The rental income from these leases is assumed to revert to current market rent at the next rent review or when leases expire and are replaced by new leases. Current market rent is based on the most recent lease transactions for similar properties at the valuation date and does not assume future increases in market rent. Future rental cashflows are discounted by a nominal equivalent yield, which is assessed by reference to market transactions for similar properties. Risks such as those associated with the assumptions around rent uplifts are factored in when arriving at the nominal equivalent yield. The valuation also takes into consideration the committed projects and capital expenditure. The significant assumptions made relating to the valuations are the exit cap rate and the discount rate. The exit cap rate used in the valuation of the investment property at 31 December 2022 was 4.50% and the discount rate used was 6.45%.

The historic cost of revalued investment properties was €1,074,184,997 (2021: €1,064,272,759).

18. STOCKS

	Group 2022 €000	Group 2021 €000	Company 2022 €000	Company 2021 €000
Finished goods and goods for resale	12	2	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

CENTRO HOLDINGS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****19. DEBTORS**

	Group 2022 €000	Group 2021 €000	Company 2022 €000	Company 2021 €000
Due after more than one year				
Amounts owed by group undertakings	-	-	21,714	21,073
Prepayments and accrued income	754	708	-	-
	754	708	21,714	21,073
Due within one year				
Trade debtors	13,084	8,607	-	-
Amounts owed by group undertakings	-	-	6,243	6,946
Other debtors	5,173	8,003	-	-
Prepayments and accrued income	2,032	2,884	-	-
	20,289	19,494	6,243	6,946

20. CASH AT BANK AND IN HAND

	Group 2022 €000	Group 2021 €000	Company 2022 €000	Company 2021 €000
Cash at bank and in hand	56,757	54,496	-	-

21. CREDITORS: Amounts falling due within one year

	Group 2022 €000	Group 2021 €000	Company 2022 €000	Company 2021 €000
Bank loans	-	699,544		
Loans due to related parties	-	78,668	75,117	
Trade creditors	3,526	1,192	-	-
Amounts owed to related parties	6,715	6,227	252	133,045
Corporation tax	629	1,057	-	-
Other creditors	8,417	14,549	-	-
Accruals and deferred income	25,420	28,396	37	34
	44,707	829,633	75,406	133,079

The long-term external bank loans were refinanced on 14 June 2022 and have a repayment date of 14 June 2029. The bank loans are secured on the property and shares of certain subsidiaries.

The related party loan notes outstanding at 31 December 2021 were unsecured and bore interest at 1% per annum and had a final redemption date of 31 January 2022. The loan notes were extended in 2022 with a final redemption date of 31 January 2027 and now bear interest at 1.29% per annum. The lenders have the right to issue a request for repayment annually by 31 December for repayment by the following 31 January. No demand was made as at 31 December 2022.

CENTRO HOLDINGS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****22. CREDITORS: Amounts falling due after more than one year**

	Group 2022 €000	Group 2021 €000	Company 2022 €000	Company 2021 €000
Bank loans	695,186	-	-	-
Loan notes due to related parties	58,668	-	58,668	-
	735,854	-	58,668	-
Repayable within 1 to 2 years	58,668	-	58,668	-
Repayable within 2 to 5 years	-	-	-	-
Repayable > 5 years	695,186	-	-	-
Less: Unamortised debt issuance costs	-	-	-	-
	753,854	-	58,668	-

The bank loans outstanding are secured on the property and shares of certain subsidiaries. These loans bear interest at 3.32% per annum plus an additional margin of between 0% and 0.1% depending on the Group's CSR KPI performance and have certain covenants and security arrangements attached. (2021: 3.6%) and have a repayment date of 14 June 2029.

The related party loan notes outstanding at 31 December 2022 are unsecured and bear interest at 1.29% per annum and have a final redemption date of 31 January 2027. The lenders have the right to issue a request for repayment annually by 31 December for repayment by the following 31 January. No demand was made as at 31 December 2022.

23. FINANCIAL INSTRUMENTS

	Group 2022 €000	Group 2021 €000	Company 2022 €000	Company 2021 €000
Financial assets measured at amortised cost				
Financial assets measured at amortised cost	18,257	16,610	27,957	28,019
Financial liabilities measured at amortised cost				
Financial liabilities measured at amortised cost	(772,512)	(800,180)	(134,037)	(133,045)

Financial assets measured at amortised cost comprise trade debtors amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise loans, trade creditors and other creditors.

CENTRO HOLDINGS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****24. DEFERRED TAXATION**

Group	Deferred taxation €000
At 1 January 2022	158,541
Credited to the Statement of Comprehensive Income (see note 13)	(6,858)
At 31 December 2022	151,683

The provision for deferred taxation is made up as follows:

	Group 2022 €000	Group 2021 €000
Deferred tax liability on revaluation of investment property	193,322	203,971
Other deferred tax liability balances	2,110	1,676
Deferred tax liabilities	195,432	205,647
Deferred tax asset on losses carried forward	(22,794)	(25,502)
Other deferred tax asset balances	(20,955)	(21,604)
Deferred tax assets	(43,749)	(47,106)
	151,683	158,541

25. CALLED UP SHARE CAPITAL

	2022 €000	2021 €000
Allotted, called up and fully paid		
2,901,838,779 (2020: 2,901,838,779) Ordinary non director voting shares of £0.000001 each	3	3
1,000 (2020: 1,000) Ordinary director voting shares of £0.01 each	-	-
	3	3

The ordinary non director voting shares have attached to them full voting (except for in respect of the appointment and removal of directors), dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption and do not have attached to them any rights to appoint directors.

The ordinary director voting shares have attached to them the right to appoint and remove directors only.

CENTRO HOLDINGS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****26. RESERVES****Share premium account**

Share premium of €164,884,000 represents the amount subscribed for share capital in excess of the nominal value.

Capital contribution reserve

Capital contributions of €6,374,000 consist of payments received from shareholders recognised directly in equity.

Merger reserve

The merger reserve of €1,166,000 is a non-distributable reserve created by the exercise of s612 merger relief for the amount in excess of the nominal value of the ordinary shares issued in connection with past acquisitions.

Profit and loss account

The profit and loss account of €413,784,000 represents the accumulated profits, losses and distributions of the Group. The profit and loss account includes the translation of net assets of subsidiary undertakings.

27. PENSION COMMITMENTS

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to €18,133 (2021: €15,278).

28. COMMITMENTS UNDER OPERATING LEASES AS A LESSEE

At 31 December the Group had future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	€000	€000
Not later than one year	1,199	1,217
Later than one year and not later than five years	4,084	4,158
Later than five years	-	970
	5,283	6,345

CENTRO HOLDINGS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****29. RELATED PARTY TRANSACTIONS**

The Group, in the normal course of business, receives loans from, and extends loans to related parties. The amounts outstanding at 31 December 2022 and 31 December 2021 are as follows:

	2022 €000	2021 €000
Creditors due within one year		
Amounts owed to entities with joint control over the entity		
Belindam BV *	1,744	1,705
CPPIB US Re-3, Inc **	512	44,110
Belindam BV **	407	35,279
	<u>2,663</u>	<u>81,094</u>
Amounts owed to other related parties		
Entities controlled by Unibail-Rodamco-Westfield SE ***	4,052	3,801
	<u>6,715</u>	<u>84,895</u>
Creditors due after more than one year		
Amounts owed to entities with joint control over the entity		
Belindam BV *	-	-
CPPIB US Re-3, Inc **	33,709	-
Belindam BV **	24,959	-
	<u>58,668</u>	<u>-</u>

Interest and repayments made on the above loans are as follows:

	2022 Interest €000	2021 Interest €000	2022 Repayments €000	2021 Repayments €000
On amounts owed to entities with joint control over the entity				
Belindam BV *	40	58	-	-
Belindam BV **	437	350	10,351	356
CPPIB US Re-3, Inc **	549	437	10,439	445
	<u>1,026</u>	<u>845</u>	<u>20,790</u>	<u>801</u>

* In the year, this loan attracted interest at 2.92%, and is repayable on demand.

** In the year, the loan notes attracted interest at 1.0%. Terms of repayment are outlined in note 22. The repayments of €1,026 were repayments of interest.

*** These balances are interest free and have no fixed repayment dates.

All balances are unsecured and repayable in cash. The Group has recognised no impairment loss on the related party balances (2021: nil).

During the year, the Group was charged €11,314,105 (2021: €10,081,048) from other companies controlled by Unibail-Rodamco-Westfield SE for management and other fees.

CENTRO HOLDINGS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****29. RELATED PARTY TRANSACTIONS (continued)****Key management personnel**

All Directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of the employees was €213,159 (2021: €186,755). No remuneration was provided to Directors (see Note 10).

The following amounts relate to the Company:

	2022	2021
	€000	€000
Debtors due after more than one year		
Amounts owed by subsidiary companies *	<u>21,714</u>	<u>21,073</u>
Debtors due within one year		
Amounts owed by subsidiary companies *	<u>6,243</u>	<u>6,946</u>
Creditors due within one year		
Amounts owed to subsidiary companies *	<u>74,450</u>	<u>53,657</u>
Amounts owed to related parties		
Amounts owed to entities with joint control over the entity **		
CPPIB US Re-3, Inc	512	44,109
Belindam BV	407	35,279
	<u>75,369</u>	<u>133,045</u>
Creditors due after more than one year		
Amounts owed to subsidiary companies *		-
Amounts owed to entities with joint control over the entity **		
CPPIB US Re-3, Inc	33,709	-
Belindam BV	24,959	-
	<u>58,668</u>	<u>-</u>

Interest charged and repayments made on the above loans are as follows:

	2022	2021	2022	2021
	Interest	Interest	(Receipts)/	(Receipts)/
	€000	€000	Repayments	Repayments
			€000	€000
On amounts owed to subsidiaries	701	694	(20,790)	(801)
On amounts owed to entities with joint control over the entity **				
CPPIB US Re-3, Inc	548	437	10,439	445
Belindam BV	437	350	10,351	356
	<u>1,686</u>	<u>1,481</u>	<u>-</u>	<u>-</u>

* The Company has various balances and loans due to and from subsidiary companies, some of which are not 100% owned. Interest was charged on these balances during the year at rates ranging from 0.0% to 4.5%.

** These loan notes attract interest at 1.0%. Terms of repayment are outlined in note 22.

All balances are unsecured and repayable in cash. The Company has recognised no impairment loss on the related party balances (2021: nil).

CENTRO HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

30. CONTROLLING PARTY

There is no controlling party or parent undertaking. Although CPPIB US Re-3, Inc ("CPPIB") own the greater proportion of the share capital, the voting rights held by CPPIB and Belindam BV, a subsidiary of Unibail-Rodamco-Westfield SE, a company listed in France, are such that the Company is deadlocked and therefore there is no controlling party.

31. EVENTS POST BALANCE SHEET DATE

The latest independent valuation of the Group's investment property assets, undertaken by Cushman & Wakefield Limited at 30 June 2023, values the Group's investments properties at €1,438,876,841. The impact of this and any possible further reduction by year end will be reflected in the consolidated financial statements for the year ended 31 December 2023.