

CENTRAL LETTINGS SOLUTIONS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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CENTRAL LETTINGS SOLUTIONS LIMITED

COMPANY INFORMATION

Directors

P Gratton
P Staley
R Clifford
S Jackson
E Gratton
J Hickling
C Anderton

Company secretary

C Staley

Registered number

07470745

Registered office

3&4 Regan way
Chetwynd Business Park, Chilwell
Nottingham
NG9 6RZ

Independent auditor

KPMG LLP
Statutory auditor and chartered accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

Bankers

HSBC bank plc
26 Clumber Street
Nottingham
NG1 3GA

CENTRAL LETTINGS SOLUTIONS LIMITED

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CENTRAL LETTINGS SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors' responsibilities statement

The directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company during the period under review was management of let properties.

Directors

The directors who served during the year were:

P Gratton
P Staley
R Clifford
S Jackson
E Gratton
J Hickling
C Anderton

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

CENTRAL LETTINGS SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 25 July 2017 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'C Anderton', is positioned above the printed name and title.

C Anderton
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CENTRAL LETTINGS SOLUTIONS LIMITED

We have audited the financial statements of Central Lettings Solutions Limited for the year ended 31 March 2017, set out on pages 5 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in the report; and
- in our opinion, the report has been prepared in accordance with the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CENTRAL LETTINGS SOLUTIONS
LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



Craig Parkin (Senior Statutory Auditor)

for and on behalf of
KPMG LLP

Statutory auditor and chartered accountants

St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

25 July 2017

CENTRAL LETTINGS SOLUTIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover	2	553,474	302,372
Other external charges		(267,858)	(219,965)
Staff costs		(646,239)	(429,458)
Depreciation and amortisation		(15,733)	(15,678)
Operating loss	3	(376,356)	(362,729)
Income from shares in group undertakings		165,754	60,008
Interest payable and similar expenses	7	(44,158)	(29,000)
Loss before tax		(254,760)	(331,721)
Tax on loss	8	(38,000)	31,000
Loss for the financial year		(292,760)	(300,721)

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 8 to 20 form part of these financial statements.

CENTRAL LETTINGS SOLUTIONS LIMITED
REGISTERED NUMBER:07470745

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Non current assets			
Intangible assets	9	62,898	68,160
Investments	10	2	2
		<u>62,900</u>	<u>68,162</u>
Current assets			
Debtors: amounts falling due within one year	11	30,283	95,377
Cash at bank and in hand		58,049	126,188
		<u>88,332</u>	<u>221,565</u>
Creditors: amounts falling due within one year	12	(177,061)	(85,954)
Net current (liabilities)/assets		<u>(88,729)</u>	<u>135,611</u>
Total assets less current liabilities		<u>(25,829)</u>	<u>203,773</u>
Creditors: amounts falling due after more than one year	13	(773,158)	(710,000)
Net liabilities		<u>(798,987)</u>	<u>(506,227)</u>
Capital and reserves			
Called up share capital	16	200	200
Share premium account		36,150	36,150
Profit and loss account		(835,337)	(542,577)
		<u>(798,987)</u>	<u>(506,227)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 July 2017.


C Anderton
 Director

The notes on pages 8 to 20 form part of these financial statements.

CENTRAL LETTINGS SOLUTIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2015	200	36,150	(241,856)	(205,506)
Total comprehensive expense for the year				
Loss for the year	-	-	(300,721)	(300,721)
At 1 April 2016	200	36,150	(542,577)	(506,227)
Total comprehensive expense for the year				
Loss for the year	-	-	(292,760)	(292,760)
At 31 March 2017	200	36,150	(835,337)	(798,987)

CENTRAL LETTINGS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

Central Lettings Solutions Limited (the "Company") is a company incorporated, domiciled and registered in England in the UK. The registered number is 07470745 and the registered address is 3-4 Regan Way, Chilwell, Nottingham, NG9 6RZ.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. All amounts in the financial statements have been rounded to the nearest £.

The Company's ultimate parent undertaking, SDL Property Services Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of SDL Property Services Group Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from its registered office. The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The directors do not consider there to be any judgements in the applications of these accounting policies that would have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

CENTRAL LETTINGS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1.3 Measurement convention

The financial statements are prepared on the historical cost basis.

1.4 Going concern

The financial statements have been prepared on a going concern basis, notwithstanding net liabilities of £798,987, which assumes that the company will continue in operational existence for the foreseeable future, based on the continued support of its fellow group undertakings, directors and the company's bankers. The directors have prepared projections for the period to 31 March 2020. These projections have been prepared using assumptions which the directors consider to be appropriate to the current financial position of the company as regards to current expected revenues and its cost base and support the going concern basis.

CENTRAL LETTINGS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

1.5 Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.6 Revenue

Property management fees in respect of services provided to customers become due when rent has been collected from a tenant, net of value added tax.

1.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

Development expenditure	-	20 % reducing balance
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1.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.9 Debtors

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

1.10 Cash and cash equivalents

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.

CENTRAL LETTINGS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

1.11 Non-derivative financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment loss.

Trade and other creditors

Trade and other creditors are initially recognised at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

1.12 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

CENTRAL LETTINGS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

Impairment excluding stocks and deferred tax assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.13 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.14 Interest payable

Interest payable is charged to the 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.

1.15 Pensions

Defined contribution pension plan

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

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

CENTRAL LETTINGS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

1.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge 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 reporting date in the countries where the Company operates and generates income.

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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

2. Turnover

All turnover arose within the United Kingdom and was derived from the Company's principal activity.

3. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Amortisation of intangible assets, including goodwill	15,733	15,678
Defined contribution pension cost	10,795	16,492

4. Auditor's remuneration

The Company paid £Nil to its auditor in respect of the audit of the financial statements. Audit remuneration for the year end 31 March 2017 and 2016 has been incurred by Direct Valuations Limited, a fellow subsidiary of SDL Property Services Group Limited. Of that amount £20,000 related to the Company.

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

CENTRAL LETTINGS SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. Employees

	2017 £	2016 £
Wages and salaries	463,855	383,138
Social security costs	46,786	29,828
Cost of defined contribution scheme	5,545	16,492
	<u>516,186</u>	<u>429,458</u>

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

	2017 No.	2016 No.
Administration	<u>17</u>	<u>11</u>

6. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	120,865	108,169
Company contributions to defined contribution pension schemes	5,250	3,245
	<u>126,115</u>	<u>111,414</u>

7. Interest payable and similar expenses

	2017 £	2016 £
Interest payable on loans from group undertakings	44,158	29,000
	<u>44,158</u>	<u>29,000</u>

CENTRAL LETTINGS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

8. Taxation

	2017 £	2016 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	17,331	(31,000)
Adjustments in respect of prior periods	19,650	-
Effect of tax rate change on opening balance	1,019	-
Total deferred tax	38,000	(31,000)
Taxation on loss	38,000	(31,000)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - *higher than*) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss before tax	(254,760)	(331,721)
Loss multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(50,952)	(66,344)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	449
Deferred tax not recognised	12,401	50,097
Adjust closing deferred tax to average rate of 20%	17,848	-
Adjust opening deferred tax to average rate of 20%	(11,899)	-
Group income	(33,151)	(15,202)
Group relief surrendered	84,103	-
Adjustments to tax charge in respect of previous periods - deferred tax	19,650	-
Total tax charge for the year	38,000	(31,000)

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 March 2017 has been calculated based on these rates. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly and reduce the deferred tax asset at 31 March 2016 by £Nil.

CENTRAL LETTINGS SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Intangible assets

	Develop- ment £
Cost	
At 1 April 2016	83,838
Additions - external	10,471
	<hr/>
At 31 March 2017	94,309
	<hr/>
Amortisation	
At 1 April 2016	15,678
Charge for the year	15,733
	<hr/>
At 31 March 2017	31,411
	<hr/>
Net book value	
At 31 March 2017	62,898
	<hr/>
At 31 March 2016	68,160
	<hr/>

Development expenditure is internal and external development of software to improve the operational processes. The expenditure is written off at 20% reducing balance.

CENTRAL LETTINGS SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2016	2
At 31 March 2017	<u>2</u>
Net book value	
At 31 March 2017	<u><u>2</u></u>
At 31 March 2016	<u><u>2</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Direct Lettings GP Limited	England & Wales	Ordinary	100 %	Consultancy for letting agencies
Central Lettings Solutions UK PRS GP Limited	Jersey	Ordinary	100 %	Consultancy for letting agencies

Name	Registered office
Direct Lettings GP Limited	3&4 Regan Way, Chilwell, Nottingham, NG9 6RZ
Central Lettings Solutions UK PRS GP Limited	44 Esplanade, St Helier, Jersey, JE4 9WG

CENTRAL LETTINGS SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

11. Debtors

	2017 £	2016 £
Trade debtors	10,206	33,874
Amounts owed by group undertakings	14,784	-
Other debtors	-	1
Prepayments and accrued income	5,293	23,502
Deferred taxation (note 15)	-	38,000
	<u>30,283</u>	<u>95,377</u>

12. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	29,528	-
Amounts owed to group undertakings	50	-
Other taxation and social security	31,293	15,531
Other creditors	116,190	70,423
	<u>177,061</u>	<u>85,954</u>

13. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to group undertakings	773,158	710,000
	<u>773,158</u>	<u>710,000</u>

The amounts owed to group undertakings is a loan from SDL Property Services Group Limited which is due on 31 March 2019 and accrues interest at 6% per annum.

CENTRAL LETTINGS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

14. Financial instruments

	2017 £	2016 £
Financial assets		
Cash and cash equivalents	58,049	126,188
Financial assets that are debt instruments measured at amortised cost	24,990	33,875
	<u>83,039</u>	<u>160,063</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(918,925)	(780,424)
	<u>(918,925)</u>	<u>(780,424)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and amounts due from group undertakings.

Other financial liabilities measured at amortised cost comprise trade creditors, other creditors and amounts owed to group undertakings.

15. Deferred taxation

	2017 £
At beginning of year	38,000
Charged to profit or loss	(38,000)
At end of year	<u>-</u>

The deferred tax asset is made up as follows:

	2016 £
Tax losses carried forward	38,000
	<u>38,000</u>

16. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		

CENTRAL LETTINGS SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

16. Share capital (continued)

200 Ordinary shares of £1 each	<u>200</u>	<u>200</u>
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17. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £10,795 (2016: £16,492). Contributions totalling £Nil (2016: £Nil) were payable to the fund at the reporting date.

18. Related party transactions

SDL Property Services Group Limited is the ultimate parent company, for details of the loan outstanding see note 14.

The Company has taken advantage of the relief available under FRS101.8(k) in respect of Related Party Disclosures and does not disclose transactions with wholly owned entities that are fellow group companies.

19. Controlling party

The Company is a subsidiary undertaking of SDL Property Services Group Limited, which is also considered to be the ultimate controlling party. The results of this company are included in the financial statements of SDL Property Services Group Limited, incorporated in England & Wales. No other group financial statements include the results of the company. The consolidated financial statements of the group are available to the public and may be obtained from 3-4 Regan Way, Chetwynd Business Park, Chilwell, Nottingham, NG9 6RZ.