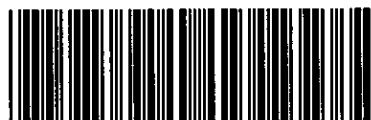


CENTRUM GROUP CORPORATION LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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CENTRUM GROUP CORPORATION LIMITED

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CENTRUM GROUP CORPORATION LIMITED

COMPANY INFORMATION

Directors	M P Shah T L Shah
Registered office	Centrum House Headley Road Woodley Reading RG5 4JB
Auditors	Hazlewoods LLP Windsor house Bayshill Road Cheltenham GL50 3AT

CENTRUM GROUP CORPORATION LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

The directors present their strategic report for the year ended 30 June 2023.

Principal activity

The principal activity of the group is the provision of domiciliary and residential care and the holding and management of property.

Fair review of the business

The results for the year which are set out in the profit and loss account show turnover of £5,606,854 (2022 - £4,959,288) and an operating profit of £752,562 (2022 - £984,084). At 30 June 2023 the company had net assets of £4,230,677 (2022 - £4,258,290). The directors consider the performance for the year and the financial position at the year end to be satisfactory.

Principal risks and uncertainties

The principal business risks and uncertainties facing the Group are broadly grouped into categories as below.

Regulation compliance

The business closely monitors any updates to the sector's regulations and compliance to ensure it meets all requirements. The frequency of regulatory visits from the CQC continues to be uncertain and much lower than pre-pandemic. The Directors ensure that qualified and experienced personnel are employed and that staff are continuously trained to provide quality care and services to the residents. The business is confident that the internal processes and practices will ensure ongoing compliance throughout any changes in the regulatory environment.

Treasury operations and financial instruments

The primary financial instruments are bank loans, intercompany loans, deposits, trade debtors, trade creditors and shareholder's funds. These arise directly from the Group's trading operations and shareholder's support and are regularly reviewed to ensure the Group is not overexposed.

Liquidity and credit risk

The principal financial assets are real estate, bank balances and cash, which represent the Group's maximum exposure to credit risk in relation to financial assets. The company manages its cash and borrowing requirements to maximise interest income and minimise interest expense, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business.

19/2/2024

Approved by the Board on and signed on its behalf by:

Mehul Shah

.....
M P Shah
Director

CENTRUM GROUP CORPORATION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report and the consolidated financial statements for the year ended 30 June 2023.

Directors of the company

The directors who held office during the year were as follows:

M P Shah

T L Shah

Dividends

Dividends paid in the year of £332,000 (2022 - £319,000) were made in respect of the financial year ended 30 June 2023.

Employee involvement

The Group values communication between management and employees on all matters affecting the welfare of the business. Consultation with the employees occurred on multiple matters including: Group branding; Group mission vision and values; uniform selection and employee benefits.

Employment of disabled persons

It is the Group's policy to give full and fair consideration to applications from people with disabilities, having regard to their particular aptitudes and abilities. If an employee becomes disabled, the company's objective is the continued provision of suitable employment, either in the same or an alternative position, with appropriate training being given if necessary. Employees with disabilities share in equal opportunities for training, promotion and career development.

Future developments

The Group is actively looking to expand through organic growth and strategic acquisitions that enhance the current operations. The Group is therefore looking to acquire businesses that have a similar ethos to the Centrum Group of companies and have a corresponding competitive advantage or edge. It is also looking to invest in technology and systems to increase efficiencies, reduce costs, and ultimately increase operational margins. Our continued core focus is also looking to invest in talent to drive growth, innovation, and profitability.

Going concern

After reviewing the Group's forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Appointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

19/2/2024

Approved by the Board on and signed on its behalf by:

Mehul Shah

.....
M P Shah
Director

CENTRUM GROUP CORPORATION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

CENTRUM GROUP CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRUM GROUP CORPORATION LIMITED

Opinion

We have audited the financial statements of Centrum Group Corporation Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, 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 Financial Reporting Standard 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 state of the group's and the parent company's affairs as at 30 June 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 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.

CENTRUM GROUP CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRUM GROUP CORPORATION LIMITED

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 by the parent company, 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 Statement of Directors' Responsibilities set out on page 4, 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.

Auditor 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

CENTRUM GROUP CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRUM GROUP CORPORATION LIMITED

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Martin Howard

.....
Martin Howard (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor house
Bayshill Road
Cheltenham
GL50 3AT

19/2/2024

Date:.....

CENTRUM GROUP CORPORATION LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 £	2022 £
Turnover	3	5,606,854	4,959,288
Cost of sales		<u>(3,239,581)</u>	<u>(2,830,218)</u>
Gross profit		2,367,273	2,129,070
Administrative expenses		(1,631,659)	(1,280,049)
Other operating income	4	<u>16,948</u>	<u>135,063</u>
Operating profit	5	752,562	984,084
Other interest receivable and similar income	6	2,939	1,005
Interest payable and similar charges	7	(286,139)	(192,878)
Gain on revaluation of investment property		<u>-</u>	<u>475,000</u>
Profit before tax		469,362	1,267,211
Taxation	11	<u>(164,975)</u>	<u>(152,753)</u>
Profit for the financial year		<u>304,387</u>	<u>1,114,458</u>
Profit/(loss) attributable to:			
Owners of the company		55,185	769,970
Minority interests		<u>249,202</u>	<u>344,488</u>
		<u>304,387</u>	<u>1,114,458</u>

The above results were derived from continuing operations.

CENTRUM GROUP CORPORATION LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	£	£
Profit for the year	<u>304,387</u>	<u>1,114,458</u>
Surplus on property, plant and equipment revaluation	-	415,304
Surplus on revaluation of other assets	-	240,000
Deferred tax movements on revaluation of other assets	<u>-</u>	<u>(75,000)</u>
	<u>-</u>	<u>580,304</u>
Total comprehensive income for the year	<u><u>304,387</u></u>	<u><u>1,694,762</u></u>
Total comprehensive income attributable to:		
Owners of the company	55,185	1,350,274
Minority interests	<u>249,202</u>	<u>344,488</u>
	<u><u>304,387</u></u>	<u><u>1,694,762</u></u>

The notes on pages 15 to 32 form an integral part of these financial statements.

CENTRUM GROUP CORPORATION LIMITED**(REGISTRATION NUMBER: 08115058)****CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2023**

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	1,828,631	29,484
Tangible assets	14	6,124,708	1,988,617
Investment property	15	<u>7,055,000</u>	<u>6,880,000</u>
		<u>15,008,339</u>	<u>8,898,101</u>
Current assets			
Stocks	17	33,571	15,571
Debtors	18	503,536	309,624
Cash at bank and in hand		<u>1,598,450</u>	<u>949,169</u>
		2,135,557	1,274,364
Creditors: Amounts falling due within one year	19	<u>(2,794,776)</u>	<u>(1,054,236)</u>
Net current (liabilities)/assets		<u>(659,219)</u>	<u>220,128</u>
Total assets less current liabilities		14,349,120	9,118,229
Creditors: Amounts falling due after more than one year	19	(9,525,969)	(4,330,262)
Provisions for liabilities	11	<u>(592,474)</u>	<u>(529,677)</u>
Net assets		<u>4,230,677</u>	<u>4,258,290</u>
Capital and reserves			
Called up share capital	22	300	300
Revaluation reserve		2,267,406	2,267,406
Profit and loss account		<u>626,602</u>	<u>903,417</u>
Equity attributable to owners of the company		2,894,308	3,171,123
Minority interests		<u>1,336,369</u>	<u>1,087,167</u>
Total equity		<u>4,230,677</u>	<u>4,258,290</u>

19/2/2024

Approved and authorised by the Board on and signed on its behalf by:

*Mehul Shah*M P Shah
Director

The notes on pages 15 to 32 form an integral part of these financial statements.

CENTRUM GROUP CORPORATION LIMITED

(REGISTRATION NUMBER: 08115058)
BALANCE SHEET AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	16	198,850	198,850
Current assets			
Debtors	18	7,045	349,415
Cash at bank and in hand		37,514	10,832
		44,559	360,247
Creditors: Amounts falling due within one year	19	(121,198)	(292,856)
Net current (liabilities)/assets		(76,639)	67,391
Net assets		122,211	266,241
Capital and reserves			
Called up share capital	22	300	300
Profit and loss account		121,911	265,941
Total equity		122,211	266,241

The company made a profit after tax for the financial year of £187,970 (2022 - £227,989).

19/2/2024

Approved and authorised by the Board on and signed on its behalf by:

Mehul Shah

M P Shah
 Director

The notes on pages 15 to 32 form an integral part of these financial statements.

CENTRUM GROUP CORPORATION LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023**
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £	Non- controlling interests £	Total equity £
At 1 July 2022	300	2,267,406	903,417	3,171,123	1,087,167	4,258,290
Profit for the year	-	-	55,185	55,185	249,202	304,387
Dividends	-	-	(332,000)	(332,000)	-	(332,000)
At 30 June 2023	300	2,267,406	626,602	2,894,308	1,336,369	4,230,677

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £	Non- controlling interests £	Total equity £
At 1 July 2021	300	1,687,102	867,751	2,555,153	742,679	3,297,832
Profit for the year	-	-	769,970	769,970	344,488	1,114,458
Revaluations	-	165,000	-	165,000	-	165,000
Dividends	-	-	(319,000)	(319,000)	-	(319,000)
Transfer of deferred tax	-	415,304	(415,304)	-	-	-
At 30 June 2022	300	2,267,406	903,417	3,171,123	1,087,167	4,258,290

The notes on pages 15 to 32 form an integral part of these financial statements.

CENTRUM GROUP CORPORATION LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023**

	Share capital £	Profit and loss account £	Total £
At 1 July 2022	300	265,941	266,241
Profit for the year	-	187,970	187,970
Dividends	-	(332,000)	(332,000)
At 30 June 2023	<u>300</u>	<u>121,911</u>	<u>122,211</u>

	Share capital £	Profit and loss account £	Total £
At 1 July 2021	300	341,952	342,252
Profit for the year	-	227,989	227,989
Dividends	-	(304,000)	(304,000)
At 30 June 2022	<u>300</u>	<u>265,941</u>	<u>266,241</u>

The notes on pages 15 to 32 form an integral part of these financial statements.

CENTRUM GROUP CORPORATION LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Profit for the year		304,387	1,114,458
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	126,140	93,989
Changes in fair value of investment property	15	-	(600,000)
Profit on disposal of tangible assets		-	(14,055)
Finance income	6	(2,939)	(1,005)
Finance costs	7	286,139	192,878
Income tax expense	11	164,975	152,753
		<u>878,702</u>	<u>939,018</u>
Working capital adjustments			
Decrease in stocks	17	-	12,239
Decrease in trade debtors	18	1,576,849	1,819
(Decrease)/increase in trade creditors	19	(438,394)	88,526
		<u>2,017,157</u>	<u>1,041,602</u>
Cash generated from operations			
Income taxes paid	11	(101,118)	(53,067)
Net cash flow from operating activities		<u>1,916,039</u>	<u>988,535</u>
Cash flows from investing activities			
Interest received		2,939	1,005
Acquisitions of tangible assets		(3,250,686)	(251,116)
Proceeds from sale of tangible assets		-	13,519
Acquisition of investment properties	15	(175,000)	-
Acquisition of subsidiary undertakings (net of cash acquired)	16	(2,383,265)	-
Net cash flows from investing activities		<u>(5,806,012)</u>	<u>(236,592)</u>
Cash flows from financing activities			
Interest paid		(284,959)	(192,878)
Proceeds from bank borrowing draw downs		7,222,939	-
Proceeds from other borrowings		750,000	250,000
Repayment of bank borrowing		(2,320,717)	(319,605)
Amounts (withdrawn)/introduced by directors		(59,006)	6,107
Repayments of other borrowings		(411,054)	-
Payments to finance lease creditors		(25,949)	(28,348)
Dividends paid		(332,000)	(319,000)
Net cash flows from financing activities		<u>4,539,254</u>	<u>(603,724)</u>
Net increase in cash and cash equivalents		649,281	148,219
Cash and cash equivalents at 1 July		949,169	800,950
Cash and cash equivalents at 30 June		<u>1,598,450</u>	<u>949,169</u>

The notes on pages 15 to 32 form an integral part of these financial statements.

CENTRUM GROUP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Centrum House
Headley Road
Woodley
Reading
RG5 4JB

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 June 2023.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

CENTRUM GROUP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements and estimation uncertainty

The investment properties and additions were valued on an open market basis on 30 June 2022 by the board of directors and external valuers. In the opinion of the directors and external valuers, the carrying value of investment properties is in line with their open market values.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the group. The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 group operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

CENTRUM GROUP CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023****Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold property and land	Straight line over 100 years, Nil
Furniture, fittings and equipment	33.33% straight line, 25% on reducing balance, 20% on cost and 10% on reducing balance
Motor vehicles	25% reducing balance

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by both the directors and external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the profit or loss accounts and are subsequently transferred to the revaluation reserve.

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight line over 10 years

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell, the impairment loss is recognised immediately in profit or loss.

CENTRUM GROUP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the group's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

CENTRUM GROUP CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023****Financial instruments****Classification**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments continued**Impairment**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Turnover

The analysis of the group's Turnover for the year from continuing operations is as follows:

	2023	2022
	£	£
Rendering of services	5,089,039	4,504,967
Rental income from investment property	517,815	454,321
	<u>5,606,854</u>	<u>4,959,288</u>

CENTRUM GROUP CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

The total turnover of the company has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Other income

The analysis of the group's other operating income for the year is as follows:

	2023	2022
	£	£
Government grants	-	116,115
Miscellaneous other operating income	16,948	18,948
	<u>16,948</u>	<u>135,063</u>

5 Operating profit

Arrived at after charging

	2023	2022
	£	£
Depreciation expense	106,274	89,074
Amortisation expense	19,866	4,915
Operating lease expense - property	45,777	2,220
Operating lease expense - plant and machinery	13,274	16,515
Operating lease expense - other	6,373	7,372
Profit on disposal of property, plant and equipment	-	(14,055)
	<u>-</u>	<u>(14,055)</u>

6 Other interest receivable and similar income

	2023	2022
	£	£
Interest income on investments	434	-
Interest income on bank deposits	2,505	1,005
	<u>2,939</u>	<u>1,005</u>

7 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and borrowings	220,698	118,532
Interest on obligations under finance leases and hire purchase contracts	348	326
Interest expense on other finance liabilities	65,093	74,020
	<u>286,139</u>	<u>192,878</u>

CENTRUM GROUP CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023****8 Staff costs****Group**

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023	2022
	£	£
Wages and salaries	2,708,926	2,353,889
Social security costs	206,886	175,334
Pension costs, defined contribution scheme	89,780	153,388
	<u>3,005,592</u>	<u>2,682,611</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2023	2022
	No.	No.
Nursing and care staff	125	115
Administration and support	25	23
	<u>150</u>	<u>138</u>

Company

The company incurred no staff costs and had no employees other than the directors.

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023	2022
	£	£
Remuneration	23,981	18,620
Contributions paid to money purchase schemes	48,346	115,184
	<u>72,327</u>	<u>133,804</u>

10 Auditors' remuneration

	2023	2022
	£	£
Audit fees	27,720	21,000
Other fees to auditors		
All other non-audit services	44,610	26,750

CENTRUM GROUP CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023****11 Taxation**

Tax charged/(credited) in the consolidated profit and loss account

	2023	2022
	£	£
Current taxation		
UK corporation tax	119,188	96,371
UK corporation tax adjustment to prior periods	<u>5,149</u>	<u>(93,618)</u>
	124,337	2,753
Deferred taxation		
Arising from origination and reversal of timing differences	<u>40,638</u>	<u>150,000</u>
Tax expense in the income statement	<u><u>164,975</u></u>	<u><u>152,753</u></u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 20% (2022 - 19%).

The differences are reconciled below:

	2023	2022
	£	£
Profit before tax	<u>469,362</u>	<u>1,267,211</u>
Corporation tax at standard rate	93,872	240,770
Effect of revenues exempt from taxation	(1,056)	(48,450)
Effect of expense not deductible in determining taxable profit (tax loss)	43,183	13,511
Tax decrease from effect of capital allowances and depreciation	(11,662)	(70,035)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>40,638</u>	<u>16,957</u>
Total tax charge	<u><u>164,975</u></u>	<u><u>152,753</u></u>

Deferred tax**Group**

Deferred tax assets and liabilities

2023

Fixed asset timing differences
Revaluation of property, plant and equipment

Liability
£

62,797

529,677592,474**2022**

Revaluation of property, plant and equipment

Liability
£

529,677

CENTRUM GROUP CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023****12 Intangible assets****Group**

	Goodwill £
Cost	
At 1 July 2022	79,934
Additions acquired separately	<u>1,819,013</u>
At 30 June 2023	<u>1,898,947</u>
Amortisation	
At 1 July 2022	50,450
Amortisation charge	<u>19,866</u>
At 30 June 2023	<u>70,316</u>
Carrying amount	
At 30 June 2023	<u><u>1,828,631</u></u>
At 30 June 2022	<u><u>29,484</u></u>

13 Business combinations

On 31 May 2023, Centrum Care Group Limited acquired 100% of the issued share capital of Thurlestone Court Limited, obtaining control.

Thurlestone Court Limited contributed £375,619 revenue and £80,429 to the group's profit for the period between the date of acquisition and the Balance Sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Fair value 2023 £
Assets and liabilities acquired	
Financial assets	5,083,286
Stocks	18,000
Tangible assets	991,678
Financial liabilities	<u>(514,986)</u>
Total identifiable assets	<u>5,577,978</u>
Goodwill	<u>1,819,013</u>
Total consideration	<u><u>7,396,991</u></u>
Satisfied by:	
Cash	5,603,028
Debt instruments	500,000
Deferred consideration	211,190
Offset against existing debtor balance	928,968
Costs of acquisition	<u>153,805</u>
Total consideration transferred	<u><u>7,396,991</u></u>

CENTRUM GROUP CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

	Fair value 2023 £
Cash flow analysis:	
Cash consideration	5,756,833
Less: cash and cash equivalent balances acquired	<u>(3,373,568)</u>
Net cash outflow arising on acquisition	<u>2,383,265</u>

The useful life of goodwill is 10 years.

14 Tangible assets**Group**

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2022	1,860,606	236,107	138,694	2,235,407
Additions	3,183,917	35,991	30,779	3,250,687
Acquired through business combinations	<u>917,009</u>	<u>52,028</u>	<u>22,641</u>	<u>991,678</u>
At 30 June 2023	<u>5,961,532</u>	<u>324,126</u>	<u>192,114</u>	<u>6,477,772</u>
Depreciation				
At 1 July 2022	80,246	147,937	18,607	246,790
Charge for the year	<u>14,411</u>	<u>61,079</u>	<u>30,784</u>	<u>106,274</u>
At 30 June 2023	<u>94,657</u>	<u>209,016</u>	<u>49,391</u>	<u>353,064</u>
Carrying amount				
At 30 June 2023	<u>5,866,875</u>	<u>115,110</u>	<u>142,723</u>	<u>6,124,708</u>
At 30 June 2022	<u>1,780,360</u>	<u>88,170</u>	<u>120,087</u>	<u>1,988,617</u>

Included within the net book value of land and buildings above is £5,866,875 (2022 - £1,780,360) in respect of freehold land and buildings.

Comparable historical cost of the Freehold land and buildings is £4,308,241 (2022 - £1,265,074). The accumulated depreciation on the historical cost is £60,910 (2022 - £48,940).

CENTRUM GROUP CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023****15 Investment properties**

Group	2023
	£
At 1 July	6,880,000
Additions	175,000
At 30 June	<u>7,055,000</u>

A number of the investment properties were valued on an open market basis on 30 June 2022 by the board of directors. In the opinion of the directors the carrying value of the investment properties are still in line with their open market values. All remaining investment properties were valued during the year by an independent valuer on an open market basis on 13 July 2022 and 5 October 2022.

16 Investments

Company	2023	2022
	£	£
Investments in subsidiaries	<u>198,850</u>	<u>198,850</u>
Subsidiaries		£
Cost		
At 1 July 2022 and at 30 June 2023		<u>198,850</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of shares held	
			2023	2022
Subsidiary undertakings				
Centrum Care Group Ltd	England and Wales	Ordinary	50%	50%
Centrum Advisory Services Ltd	England and Wales	Ordinary	66.66%	66.66%
TM Care Limited	England and Wales	Ordinary	100%	100%
Centrum Investment (Trafalgar House) Limited	England and Wales	Ordinary	100%	100%
Centrum Property Management Limited	England and Wales	Ordinary	100%	100%
Blenheim & Chester Developments Limited	England and Wales	Ordinary	66.66%	66.66%
Blenheim & Chester Developments (Buckingham Court) Limited**	England and Wales	Ordinary	66.66%	66.66%
Centrum Care Property Holdings Ltd*	England and Wales	Ordinary	50%	50%
The White House (Teignmouth) Ltd*	England and Wales	Ordinary	50%	50%
Teignmouth Care Ltd*	England and Wales	Ordinary	50%	50%
Centrum Homecare Group Limited	England and Wales	Ordinary	100%	100%
Thurlestone Court Limited*	England and Wales	Ordinary	100%	0%

CENTRUM GROUP CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

The principal activity of Centrum Care Group Ltd is that of a holding company.
 The principal activity of Centrum Advisory Services Ltd is that of a management company.
 The principal activity of T M Care Limited is the provision of domiciliary care services.
 The principal activity of Centrum Investment (Trafalgar House) Limited is that of investing activities.
 The principal activity of Centrum Property Management Limited is that of a property holding company.
 The principal activity of Blenheim & Chester Developments Limited is that of a property holding company.
 The principal activity of Blenheim & Chester Developments (Buckingham Court) Limited is that of a property holding company.
 The principal activity of Centrum Care Property Holdings Ltd is that of a property holding company.
 The principal activity of The White House (Teignmouth) Ltd is that of a property holding company.
 The principal activity of Teignmouth Care Ltd is that of the provision of residential care services.
 The principal activity of Centrum Homecare Group Limited is that of a dormant company.
 The principal activity of Thurlstone Court Limited is the provision of residential care services.

* Held indirectly via Centrum Care Group Limited

** Held indirectly via Blenheim & Chester Developments Limited

The registered address of the subsidiaries listed above is the same as the group.

Voting rights are equivalent to the percentage of shares held in the subsidiary apart from Centrum Care Group Ltd, Centrum Care Property Holdings Ltd, The White House (Teignmouth) Ltd and Teignmouth Care Ltd where the voting rights are 59%.

For the year ended 30 June 2023 the subsidiaries were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Centrum Care Group Limited (10759018)
 Centrum Advisory Services Ltd (11279419)
 TM Care Limited (06119333)
 Centrum Investment (Trafalgar House) Limited (10339518)
 Centrum Property Management Limited (07386808)
 Blenheim & Chester Developments Limited (09015627)
 Blenheim & Chester Developments (Buckingham Court) Limited (09348358)
 Centrum Care Property Holdings Limited (10772820)
 The White House (Teignmouth) Ltd (11062240)
 Teignmouth Care Ltd (10773255)
 Centrum Homecare Group Limited (13484153)

17 Stocks

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Finished goods and consumables	<u>33,571</u>	<u>15,571</u>	<u>-</u>	<u>-</u>

CENTRUM GROUP CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023****18 Debtors**

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	174,029	89,900	-	-
Amounts owed by group undertakings	-	-	7,045	349,415
Other debtors	109,964	25,263	-	-
Prepayments	219,543	194,461	-	-
Total current trade and other debtors	<u>503,536</u>	<u>309,624</u>	<u>7,045</u>	<u>349,415</u>

19 Creditors

		Group		Company	
	Note	2023	2022	2023	2022
		£	£	£	£
Due within one year					
Loans and borrowings	20	1,430,969	647,077	1,871	1,871
Trade creditors		253,614	85,060	-	-
Amounts due to related parties		-	-	108,767	263,985
Social security and other taxes		88,676	52,561	-	-
Outstanding defined contribution pension costs		11,874	-	-	-
Other creditors		447,649	41,892	-	-
Accrued expenses		228,861	131,275	10,560	27,000
Corporation tax liability	11	333,133	96,371	-	-
		<u>2,794,776</u>	<u>1,054,236</u>	<u>121,198</u>	<u>292,856</u>
Due after one year					
Loans and borrowings	20	<u>9,525,969</u>	<u>4,330,262</u>	<u>-</u>	<u>-</u>

20 Loans and borrowings

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Current loans and borrowings				
Bank borrowings	516,748	239,208	-	-
Hire purchase contracts	32,679	26,646	-	-
Other borrowings	881,542	381,223	1,871	1,871
	<u>1,430,969</u>	<u>647,077</u>	<u>1,871</u>	<u>1,871</u>

CENTRUM GROUP CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	9,103,125	4,192,652	-	-
Hire purchase contracts	45,318	66,086	-	-
Other borrowings	377,526	71,524	-	-
	<u>9,525,969</u>	<u>4,330,262</u>	<u>-</u>	<u>-</u>

The total bank mortgages are secured by fixed and floating charges over the properties to which they relate. Total bank mortgages outstanding of £3,895,758 (2022 - £3,558,100) are repayable in full between 06 June 2029 and 21 September 2046. Interest is levied on the borrowings between 2.99% and 4.49% per annum.

Bank borrowings include £60,564 (2022 - £186,298) advanced under the Government bounce back loan scheme. This loan is repayable in monthly instalments. Interest is levied at 3.4% over SONIA per annum.

Bank borrowings also include £98,924 (2022 - £150,536) advanced under the governments Coronavirus Business Interruption Loan Scheme. The loan is repayable in monthly instalments with a final repayment date on 27 April 2025. Interest is levied at 3.4% over SONIA per annum.

During the year the group refinanced their Metro Bank Plc loans with £5,564,577 (2022 - £587,755) outstanding at the year end. This loan is repayable in monthly instalments with a final repayment date on 31 May 2028. Interest is levied at 3.25% over the Bank of England base rate.

Outstanding at the year end was £7,801 (2022 - £6,818) in director's loan accounts. This is repayable on demand and there is no interest levied.

Included within other borrowings is £76,223 (2022 - £81,473) owed to Pearce House Capital Limited, a company in which Mr A Shah is also a director and shareholder. This loan is repayable in monthly instalments with a final repayment date on 31 December 2027. No interest is levied on the borrowings.

Included in other borrowings are loans received from connected persons to the sum of £625,000. The loans have no set repayment date and interest is levied between 0 and 8%.

Other borrowings include loan notes to the sum of £500,000 owed to the former owners of Thurlestone Court Limited. The loans are repayable in annual instalments with a final repayment date on 31 May 2028. Interest is levied at 5% per annum.

Other borrowings include £21,462 (2022 - £60,151) repayable to the Funding Circle. The loans are repayable in monthly instalments with a final repayment date in 2023. Interest is levied at 5.90% per annum.

Hire Purchase liabilities are secured on the assets to which they relate.

CENTRUM GROUP CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023****21 Pension and other schemes****Defined contribution pension scheme**

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £89,780 (2022 - £153,388).

Contributions totalling £11,874 (2022 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

22 Share capital**Allotted, called up and fully paid shares**

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>

23 Obligations under leases and hire purchase contracts**Group****Finance leases**

The total of future minimum lease payments is as follows:

	2023	2022
	£	£
Not later than one year	32,679	26,646
Later than one year and not later than five years	<u>45,318</u>	<u>66,086</u>
	<u>77,997</u>	<u>92,732</u>

Operating leases

The total of future minimum lease payments is as follows:

	2023	2022
	£	£
Not later than one year	51,867	21,334
Later than one year and not later than five years	<u>73,010</u>	<u>4,497</u>
	<u>124,877</u>	<u>25,831</u>

24 Dividends

Group	2023	2022
	£	£
Dividends paid	<u>332,000</u>	<u>319,000</u>

CENTRUM GROUP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

25 Related party transactions

Company

Summary of transactions with key management

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 9 to the financial statements.

During the year, total dividends of £332,000 (2022 - £304,000) were paid to the directors.

At the year ended, the group owed the directors £7,801 (2022 - £6,818). There are no set repayment terms for the loans and no interest has been charged on the loans.

Included within loans repayable is £76,223 (2022 - £81,473) owed to Pearce House Capital Limited, a company in which Mr A Shah is also a director and shareholder.

CENTRUM GROUP CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023****26 Analysis of changes in net debt**

Group	At 1 July 2022 £	Financing cash flows £	Acquisition of subsidiaries £	Other non-cash changes £	At 30 June 2023 £
Cash and cash equivalents					
Cash	949,169	(2,724,287)	3,373,568	-	1,598,450
Borrowings					
Bank borrowings	(4,431,860)	(5,189,193)	-	1,180	(9,619,873)
Other borrowings	(445,929)	(314,139)	-	(500,000)	(1,260,068)
Directors loan accounts	(6,818)	59,006	-	-	52,188
Hire purchase contracts	(92,732)	26,297	(11,562)	-	(77,997)
	<u>(4,977,339)</u>	<u>(5,418,029)</u>	<u>(11,562)</u>	<u>(498,820)</u>	<u>(10,905,750)</u>
	<u>(4,028,170)</u>	<u>(8,142,316)</u>	<u>3,362,006</u>	<u>(498,820)</u>	<u>(9,307,300)</u>

CENTRUM GROUP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

27 Financial guarantee contracts

M Shah and T Shah have given limited guarantees of £10,000 in relation to their Barclays banking facilities.

28 Parent and ultimate parent undertaking

The ultimate controlling party is M Shah and T Shah.

The largest and smallest group in which the results of the entity are consolidated is this set of consolidated financial statements.