

COMPANY REGISTRATION NUMBER: 3380963

Centremanor (E.S.) Limited

Financial Statements

31 December 2016

FRIDAY



L6G0T1Q3

L16

29/09/2017

#304

COMPANIES HOUSE

Centremanor (E.S.) Limited

Financial Statements

Year ended 31 December 2016

Contents	Page
Directors' Report	1
Independent Auditor's Report to the Members of Centremanor (E.S.) Limited	3
Profit and Loss Account and Other Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8

Centremanor (E.S.) Limited

Directors' Report

Year ended 31 December 2016

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

Principal activities and business review

The principal activity of the Company is the obtaining and provision of finance to other group companies. There has been no significant change in the nature of the Company's business activity nor is any envisaged in the immediate future.

Directors

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

D Davis
B S E Freshwater

The Articles of Association of the Company do not require the directors to retire by rotation.

The directors do not have service contracts.

The majority of the day-to-day management of the Company's operations are carried out by Highdorn Co. Limited. Mr B S E Freshwater is a director of, but has no beneficial interest in the share capital of, Highdorn Co. Limited.

Results and dividends

The results for the year are set out in the attached profit and loss account and other comprehensive income and explanatory notes. The financial position of the company at the end of the year is set out in the attached balance sheet and explanatory notes.

The Company did not pay a dividend in the year (2015: £nil). The directors do not propose a final dividend for the year (2015: £nil).

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

Centremanor (E.S.) Limited

Directors' Report *(continued)*

Year ended 31 December 2016

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.

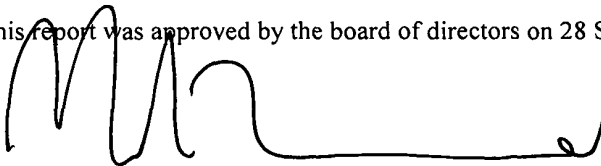
Auditor

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

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

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board of directors on 28 September 2017 and signed on behalf of the board by:



M R M Jenner, F.C.I.S
Company Secretary

Registered office:
Freshwater House
158-162 Shaftesbury Avenue
London
WC2H 8HR

Centremanor (E.S.) Limited

Independent Auditor's Report to the Members of Centremanor (E.S.) Limited

Year ended 31 December 2016

We have audited the financial statements of Centremanor (E.S.) Limited for the year ended 31 December 2016 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's 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, 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 December 2016 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 Director's report:

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

Centremanor (E.S.) Limited

Independent Auditor's Report to the Members of Centremanor (E.S.) Limited *(continued)*

Year ended 31 December 2016

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; and
- the directors were not entitled to take advantage of the small companies exemption in preparing the Strategic Report.



Bill Holland (Senior Statutory Auditor)

For and on behalf of
KPMG LLP
Chartered accountant & statutory auditor
15 Canada Square
London
E14 5GL

28/9/2017

Centremanor (E.S.) Limited

Profit and Loss Account and Other Comprehensive Income

Year ended 31 December 2016

	Note	2016 £	2015 £
Administrative expenses		<u>(21,486)</u>	<u>(11,480)</u>
Operating loss	4	(21,486)	(11,480)
Other interest receivable and similar income	5	2,553,000	2,553,000
Interest payable and similar expenses	6	<u>(2,550,000)</u>	<u>(2,550,000)</u>
Loss before taxation		(18,486)	(8,480)
Tax on loss	7	<u>3,697</u>	<u>2,000</u>
Loss for the financial year and total comprehensive income		<u>(14,789)</u>	<u>(6,480)</u>

All the activities of the Company are from continuing operations.

The notes on pages 8 to 13 form part of these financial statements.

Centremanor (E.S.) Limited

Balance Sheet

31 December 2016

	Note	2016 £	2015 £
Current assets			
Debtors	8	32,555,099	32,561,002
Creditors: amounts falling due within one year	9	<u>(3,101,168)</u>	<u>(3,092,282)</u>
Net current assets		29,453,931	29,468,720
Total assets less current liabilities		29,453,931	29,468,720
Creditors: amounts falling due after more than one year	10	<u>(30,000,000)</u>	<u>(30,000,000)</u>
Net liabilities		<u>(546,069)</u>	<u>(531,280)</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	<u>(546,071)</u>	<u>(531,282)</u>
Total equity		<u>(546,069)</u>	<u>(531,280)</u>

These financial statements were approved by the board of directors and authorised for issue on 28 September 2017, and are signed on behalf of the board by:

B S E Freshwater
Director

Company registration number: 3380963

The notes on pages 8 to 13 form part of these financial statements.

Centremanor (E.S.) Limited

Statement of Changes in Equity

Year ended 31 December 2016

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2015	2	(524,802)	(524,800)
Loss for the year	—	(6,480)	(6,480)
Total comprehensive income for the year	—	(6,480)	(6,480)
At 31 December 2015	2	(531,282)	(531,280)
Loss for the year	—	(14,789)	(14,789)
Total comprehensive income for the year	—	(14,789)	(14,789)
At 31 December 2016	<u>2</u>	<u>(546,071)</u>	<u>(546,069)</u>

The notes on pages 8 to 13 form part of these financial statements.

Centremanor (E.S.) Limited

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The Company is a private Company limited by shares, registered in England and Wales. The address of the registered office is Freshwater House, 158-162 Shaftesbury Avenue, London, WC2H 8HR.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, notwithstanding the Company's net liabilities, which the directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by Centremanor Limited, the Company's immediate parent undertaking. The Centremanor Limited group has considerable financial resources together with a large property portfolio and access to credit facilities. Centremanor Limited has provided the Company with an undertaking that, for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Disclosure exemptions

The Company's immediate parent undertaking, Centremanor Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Centremanor Limited are prepared in accordance with UK GAAP, FRS 102 and are available to the public and may be obtained from Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR. In these financial statements, the company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation; and
- Basic and other financial instruments

Centremanor (E.S.) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in the equity or comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Provision is made for consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expenses are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rate and allowances applicable to the sale of the property.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Expenses

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method and the unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use are expensed as incurred.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit and loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Centremanor (E.S.) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its financial liabilities.

Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Related party transactions

The Company has taken advantage of the exemptions in FRS 102 in order to dispense with the requirements to disclose transactions with other companies in the Centremanor Limited Group.

4. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>3,600</u>	<u>2,400</u>

5. Other interest receivable and similar income

	2016	2015
	£	£
Interest from group undertakings	<u>2,553,000</u>	<u>2,553,000</u>

6. Interest payable and similar expenses

	2016	2015
	£	£
Interest on banks loans and overdrafts	<u>2,550,000</u>	<u>2,550,000</u>

Centremanor (E.S.) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

7. Tax on loss

Major components of tax income

	2016 £	2015 £
Current tax:		
Consideration receivable for group relief	(3,697)	(2,000)
Tax on loss	<u>(3,697)</u>	<u>(2,000)</u>

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is the same as (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016 £	2015 £
Loss on ordinary activities before taxation	(18,486)	(8,480)
Loss on ordinary activities by rate of tax	(3,697)	(1,717)
Sundry differences	–	(283)
Tax on loss	<u>(3,697)</u>	<u>(2,000)</u>

Factors that may affect future tax income

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) was substantively enacted on 18 November 2015. A further reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. This will reduce the Company's future tax charge accordingly.

8. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	32,549,400	32,553,000
Group relief receivable	5,697	8,000
Other debtors	2	2
	<u>32,555,099</u>	<u>32,561,002</u>

All debtors are payable within one year or are payable on demand and interest free except for a £30,000,000, intra-group sterling loan with interest paid at the rate of 8.51% (2015: 8.51%).

Centremanor (E.S.) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

9. Creditors: amounts falling due within one year

	2016	2015
	£	£
Amounts owed to group undertakings	2,676,168	2,664,882
Other creditors	425,000	427,400
	<u>3,101,168</u>	<u>3,092,282</u>

All intra-group loans are sterling loans repayable on demand and interest free.

10. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans and overdrafts	<u>30,000,000</u>	<u>30,000,000</u>

The mortgage advance is repayable in greater than 5 years with interest payable at a fixed rate of 8.5%.

The mortgage advance is secured by first legal charges over freehold and leasehold investment properties owned by certain fellow subsidiary undertakings, together with floating charges over the assets and undertakings of the company and of the aforementioned fellow subsidiary undertakings and unlimited guarantees given by the company's immediate parent undertaking and two of its subsidiary undertaking.

11. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

12. Reserves

The profit and loss account reserve records retained earnings and accumulated losses.

13. Related party transactions

The majority of the day-to-day management of the Company's operations are carried out by Highdorn Co. Limited ("Highdorn") one of the Freshwater Group of Companies, with which this company is closely related. Mr B S E Freshwater is a director of, but has no beneficial interest in the share capital of, Highdorn Co Limited.

During the year no charges were payable to Highdorn Co. Limited for these services and no amounts were owing to Highdorn Co. Limited at 31 December 2016 (2015 £nil).

Centremanor (E.S.) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

14. Controlling party

The Company is controlled by its immediate parent company, Centremanor Limited.

The Company's ultimate controlling party is its ultimate parent company, Linnet Limited, which is incorporated in the Isle of Man and controlled but trust.

The largest and smallest group in which the results of the Company are consolidated is that headed by Centremanor Limited. Copies of these financial statements can be obtained from the following address: Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR. No other group financial statements include the results of the Company.