

**Centremanor (E.S.) Limited**

**Directors' report and financial  
statements**

Registered number 3380963

For the year ended 31 December 2014

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

### Principal activity

The principal activity of the company is the obtaining and provision of finance. There has been no significant change in the nature of the company's business activity, nor is any envisaged in the immediate future.

### Results and dividends

The result for the year ended 31 December 2014 is set out in the attached financial statements.

The directors do not recommend the payment of a dividend (2013: £nil).

### Directors

The directors who held office during the year are:

Mr BSE Freshwater

Mr D Davis

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

The directors do not have service contracts nor do they receive any emoluments from the company.

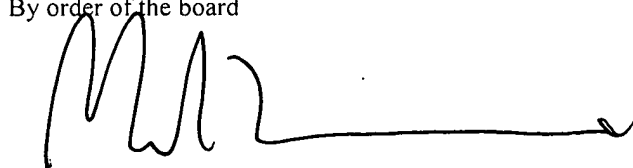
### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

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

By order of the board



**MRM Jenner**  
Secretary

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

10 September 2015

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the board



**MRM Jenner**

*Secretary*

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

10 September 2015

## **Report of the independent auditor, KPMG LLP, to the members of Centremanor (E.S.) Limited**

We have audited the financial statements of Centremanor (E.S) Limited for the year ended 31 December 2014 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors**

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](http://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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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.

## **Report of the independent auditor, KPMG LLP, to the members of Centremanor (E.S.) Limited (continued)**

### **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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Andrew Marshall (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
15 Canada Square  
London E14 5GL  
24 September 2015

**Profit and loss account**  
*for the year ended 31 December 2014*

	<i>Note</i>	2014 £	2013 £
Financing charges receivable	2	2,553,000	2,553,000
Administrative expenses		(29,409)	(73,850)
Interest payable	3	(2,550,000)	(2,550,000)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>	4	(26,409)	(70,850)
Tax on profit on ordinary activities	5	6,000	16,000
		<hr/>	<hr/>
<b>Loss for the financial year</b>	11	(20,409)	(54,850)
		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains or losses in the current or previous year other than those disclosed above.

All the company's activities are continuing.

There is no difference between the results as stated and the results on a historic cost basis in either the current or previous year.


The notes from pages 7 to 12 form part of these financial statements.

**Balance sheet**  
*at 31 December 2014*

	<i>Note</i>	2014 £	2013 £
<b>Current Assets</b>			
Debtors			
Amounts falling due within one year	6	2,572,602	16,002
Amounts falling due after more than one year	7	30,000,000	30,000,000
		<hr/>	<hr/>
		32,572,602	30,016,002
 <b>Creditors: amounts falling due within one year</b>	 8	 (3,097,402)	 (520,393)
		<hr/>	<hr/>
<b>Net Current Assets</b>		29,475,200	29,495,609
 <b>Creditors: amounts falling due after more than one year</b>	 9	 (30,000,000)	 (30,000,000)
		<hr/>	<hr/>
<b>Net liabilities</b>		(524,800)	(504,391)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	10	2	2
Profit and loss account	11	(524,802)	(504,393)
		<hr/>	<hr/>
<b>Equity shareholders' deficit</b>	12	(524,800)	(504,391)
		<hr/>	<hr/>

The notes from pages 7 to 12 form part of these financial statements.

These financial statements were approved by the board of the directors on 10 September 2015 and were signed on its behalf by:

  
**BSE Freshwater**  
Director

Company Registered Number: 3380963



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention, [as adjusted by the policy of accounting for investment properties referred to below] and in accordance with applicable Accounting Standards.

The financial statements have been prepared on the going concern basis, 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 parent undertaking. The Centremanor 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.

#### *Taxation*

The charge for tax is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

##### *Current:*

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

##### *Deferred:*

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes that have arisen but not reversed at the balance sheet date, except that:

(i) provision is not made in respect of property revaluation surpluses unless the sale has been completed and rollover relief is not available to cover any gain arising; and

(ii) deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable profits from which the future reversal of the relevant timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates which apply at the balance sheet date.

## Notes (continued)

### *Cash flow statement*

Under Financial Reporting Standards 1 *Cash Flow Statements* (FRS 1) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of an immediate holding company registered in England and Wales which prepares consolidated financial statements that include a consolidated cash flow statement.

### *Related party transactions*

The company has taken advantage of the exemption per Financial Reporting Standard 8 *Related Party Disclosures* (FRS 8) in order to dispense with the requirement to disclose transactions with other wholly owned Centremanor Limited group companies.

#### 2      **Financing charges receivable**

	2014 £	2013 £
Group finance charges receivable	2,553,000	2,553,000

#### 3      **Interest payable**

	2014 £	2013 £
Loans terminating after more than five years	2,550,000	2,550,000

#### 4      **(Loss)/Profit on ordinary activities before taxation**

	2014 £	2013 £
<i>( Loss)/Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration for audit services	(2,400)	(1,800)

The directors of the company did not receive any emoluments from the company during the year or during the previous year.

Apart from the directors, there were no other employees during the year or during the previous year.

## Notes (continued)

### 5 Tax on profit on ordinary activities

	2014	2013
	£	£
<i>a) Analysis of credit for the year</i>		
Consideration receivable for group relief:		
Current year	(6,000)	(16,000)
	<u>          </u>	<u>          </u>
<i>b) Factors affecting the tax charge for the year</i>		
(Loss)/Profit on ordinary activities before taxation	(26,409)	(70,850)
	<u>          </u>	<u>          </u>
Loss on ordinary activities at the standard rate of 21.5% (2013: 23.25%)	(5,678)	(16,473)
Sundry differences	(322)	473
	<u>          </u>	<u>          </u>
Current tax (Charge)/Credit (see above)	(6,000)	(16,000)
	<u>          </u>	<u>          </u>

#### *c) Factors affecting the tax charge in future years*

A reduction in the UK corporation tax rate from 23% to 21 % (effective from 1 April 2014) was substantially enacted on 2 July 2013. A further reduction in the UK corporation tax rate from 21 % to 20% (effective from 1 April 2015) was substantially enacted on 2 July 2013. In July 2015 the Government announced further reductions in the UK Corporation Tax rate to 19% by 1 April 2017 and to 18% by 1 April 2020. This will reduce the Company's future tax charge accordingly.

The deferred tax liability at 31 December 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

### 6 Debtors: amounts falling due within one year

	2014	2013
	£	£
Group relief receivable	22,000	16,000
Amount due from fellow subsidiary undertakings	2,550,600	-
Sundry debtors	2	2
	<u>          </u>	<u>          </u>
	2,572,602	16,002
	<u>          </u>	<u>          </u>

The advance, which bears interest at variable rates, was made by Metropolitan Properties Company Limited and is repayable on demand.

## Notes (continued)

### 7 Debtors: amounts falling due after more than one year

	2014 £	2013 £
Amount due from fellow subsidiary undertaking	30,000,000	30,000,000

The advance, which bears interest at variable rates, was made to Metropolitan Properties Company Limited and is repayable upon the repayment of the mortgage advance in 2022.

### 8 Creditors: amounts falling due within one year

	2014 £	2013 £
Amount due to immediate parent undertaking	122,402	94,393
Amount due to Metropolitan Properties (FGC)	2,550,000	-
Other creditors and accruals	425,000	425,000
Group relief payable	-	1,000
	<u>3,097,402</u>	<u>520,393</u>

### 9 Creditors: amounts falling due after more than one year

	2014 £	2013 £
Mortgage advance	30,000,000	30,000,000
The above amount is further analysed as follows:		
	Interest	£
Mortgage advance repayable in 2022	8.5%	30,000,000

The mortgage advance is secured by first legal charges over freehold and leasehold investment and trading 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.

### 10 Called up share capital

	2014 £	2013 £
<i>Allotted, called up and not paid</i>		
2 ordinary shares of £1 each	2	2

## Notes *(continued)*

### 11 Profit and loss account

	£
At 31 December 2013	(504,393)
Profit for the financial year	(20,409)
	<hr/>
At 31 December 2014	(524,802)
	<hr/> <hr/>

### 12 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Loss for the financial year	(20,409)	(54,850)
	<hr/>	<hr/>
Net increase in shareholders' deficit	(20,409)	(54,850)
Opening shareholders' deficit	(504,391)	(449,541)
	<hr/>	<hr/>
Closing shareholders' deficit	(524,800)	(504,391)
	<hr/> <hr/>	<hr/> <hr/>

## **Notes** *(continued)*

### **13 Directors' interest in contracts**

The majority of the day-to-day management of the company's properties is carried out by Highdorn Co. Limited, one of the Freshwater Group of Companies, with which this company is closely connected. Mr BSE Freshwater is a director of Highdorn Co. Limited but has a non-beneficial interest in the share capital of that company.

During the year £nil (2013: £nil) was payable to Highdorn Co. Limited for these services which were charged for at normal commercial rates.

### **14 Ultimate parent undertaking**

The parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up is Centremanor Limited, a company registered in England and Wales, which is also the immediate parent undertaking.

Copies of these financial statements can be obtained from the following address: Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

The ultimate parent undertaking is Linnet Limited, a company incorporated in the Isle of Man and controlled by trusts.