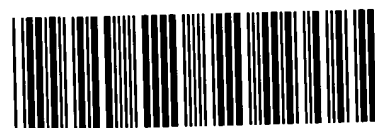




Company Registration No. 05413537 (England and Wales)

**CENTIGRADE INTERNATIONAL LIMITED**  
**GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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# CENTIGRADE INTERNATIONAL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr N Matthews Ms J Barnard Mr B Reading
<b>Secretary</b>	S Neill
<b>Company number</b>	05413537
<b>Registered office</b>	Countrywide House 23 West Bar Banbury Oxfordshire England OX16 9SA
<b>Auditor</b>	Ellacotts LLP Countrywide House 23 West Bar Banbury Oxfordshire England OX16 9SA

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# CENTIGRADE INTERNATIONAL LIMITED

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# **CENTIGRADE INTERNATIONAL LIMITED**

## **CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

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2016 saw Centigrade return to profit with all operating regions contributing. Sales increased to £5.8m (2015: £5.2m) and Profit Before Tax was £151,496 (2015: loss £145,369).

2017 is progressing well with a number of new client signings and although a general lack of confidence seems to permeate many of the world business markets we anticipate further growth.

We again produced some great campaigns and activations for our clients in 2016 and I would like to thank the brands, staff and suppliers that made this possible.



# CENTIGRADE INTERNATIONAL LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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

### Principal activities

The principal activity of the group is that of supplying marketing services to international businesses in North America and across Europe. The group is an international, integrated, marketing services agency that works with clients across more than 30 countries. Centigrade International Limited is the ultimate holding company of the group.

The group has three operating businesses Centigrade Inc in the USA, Centigrade Europe B.V. in mainland Europe and Centigrade Europe Limited in the UK.

At the year end the group had centres of operation in Atlanta, Brussels, Detroit, Eindhoven, Geneva, Hong Kong and Los Angeles with its head office in the UK.

The principal activities of the group includes; Strategy, Advertising, Public Relations, Marketing Communications, CRM, Digital, Event Management and Motorsport Operations.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr N Matthews  
Ms J Barnard  
Mr C Ward  
Mr B Reading

(Resigned 31 March 2017)

### Auditor

Ellacotts LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of directors' responsibilities

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

Company law requires the directors to prepare group 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 group 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 group and of the profit or loss of the group for that year. In preparing these group financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the group financial statements;
- prepare the group financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and enable them to ensure that the group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## CENTIGRADE INTERNATIONAL LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

#### Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption of the Companies Act 2006.

On behalf of the board

Mr N Matthews  
Director

25.09.2017



# **CENTIGRADE INTERNATIONAL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTIGRADE INTERNATIONAL LIMITED**

We have audited the financial statements of Centigrade International Limited for the year ended 31 December 2016 which comprise the Group Profit And Loss Account, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 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 FRC'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 group's and the parent company's affairs as at 31 December 2016 and of its 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.



## CENTIGRADE INTERNATIONAL LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CENTIGRADE INTERNATIONAL LIMITED

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

*Ellacotts* *us*

David Stevens BA FCA  
(Senior Statutory Auditor)  
for and on behalf of Ellacotts LLP  
Chartered Accountants &  
Statutory Auditor

Countrywide House  
23 West Bar  
Banbury  
Oxfordshire  
England  
OX16 9SA

Date: 28.09.17





# CENTIGRADE INTERNATIONAL LIMITED

## GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
<b>Group Turnover</b>		5,808,673	5,205,553
Cost of sales		(4,114,573)	(3,788,909)
<b>Group Gross profit</b>		1,694,100	1,416,644
Administrative expenses		(1,511,054)	(1,536,850)
<b>Group Operating profit/(loss)</b>	2	183,046	(120,206)
<b>Attributable to:</b>			
Continuing operations		183,046	(80,206)
Exceptional item		-	(40,000)
		183,046	(120,206)
Interest receivable and similar income		-	564
Interest payable and similar expenses		(31,550)	(25,727)
<b>Profit/(loss) before taxation</b>		151,496	(145,369)
Taxation		(25,177)	35,521
<b>Profit/(loss) for the financial year</b>		126,319	(109,848)



# CENTIGRADE INTERNATIONAL LIMITED

## GROUP BALANCE SHEET AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Goodwill	4		59,172		74,217
Tangible assets	5		232,294		193,173
			<u>291,466</u>		<u>267,390</u>
<b>Current assets</b>					
Debtors	8	948,973		579,401	
Cash at bank and in hand		125,087		388,823	
		<u>1,074,060</u>		<u>968,224</u>	
<b>Creditors: amounts falling due within one year</b>	9	(855,540)		(861,413)	
<b>Net current assets</b>			<u>218,520</u>		<u>106,811</u>
<b>Total assets less current liabilities</b>			<u>509,986</u>		<u>374,201</u>
<b>Creditors: amounts falling due after more than one year</b>	10		(332,180)		(290,718)
<b>Net assets</b>			<u><u>177,806</u></u>		<u><u>83,483</u></u>
<b>Capital and reserves</b>					
Called up share capital	12		2,100		2,200
Share premium account			159,713		159,713
Capital redemption reserve			300		200
Profit and loss reserves			15,693		(78,630)
<b>Total equity</b>			<u><u>177,806</u></u>		<u><u>83,483</u></u>

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies' regime of the Companies Act 2006.

The financial statements were approved by the board of directors and authorised for issue on 25.09.2017 and are signed on its behalf by:

Mr N Matthews  
Director



# CENTIGRADE INTERNATIONAL LIMITED

## COMPANY BALANCE SHEET AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	5		75		182
Investments	6		808		808
			<u>883</u>		<u>990</u>
<b>Current assets</b>					
Debtors	8	291,314		247,894	
Cash at bank and in hand		1		1	
		<u>291,315</u>		<u>247,895</u>	
<b>Creditors: amounts falling due within one year</b>	9	(118,191)		(97,411)	
<b>Net current assets</b>			<u>173,124</u>		<u>150,484</u>
<b>Total assets less current liabilities</b>			<u><u>174,007</u></u>		<u><u>151,474</u></u>
<b>Capital and reserves</b>					
Called up share capital	12		2,100		2,200
Share premium account			159,713		159,713
Capital redemption reserve			300		200
Profit and loss reserves			<u>11,894</u>		<u>(10,639)</u>
<b>Total equity</b>			<u><u>174,007</u></u>		<u><u>151,474</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account. The company's profit for the year was £22,533 (2015 - £32,923 profit).

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

The financial statements were approved by the board of directors and authorised for issue on 25.09.2017 and are signed on its behalf by:

Mr N Matthews  
Director

Company Registration No. 05413537



# CENTIGRADE INTERNATIONAL LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2015</b>		2,200	159,713	200	31,218	193,331
<b>Year ended 31 December 2015:</b>						
Loss and total comprehensive income for the year		-	-	-	(109,848)	(109,848)
<b>Balance at 31 December 2015</b>		2,200	159,713	200	(78,630)	83,483
<b>Year ended 31 December 2016:</b>						
Profit for the year		-	-	-	126,319	126,319
Other comprehensive income:						
Currency translation differences on overseas subsidiaries		-	-	-	(31,996)	(31,996)
Total comprehensive income for the year		-	-	-	94,323	94,323
Redemption of shares	12	(100)	-	100	-	-
<b>Balance at 31 December 2016</b>		2,100	159,713	300	15,693	177,806



# CENTIGRADE INTERNATIONAL LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2015</b>		2,200	159,713	200	(43,562)	118,551
<b>Year ended 31 December 2015:</b>						
Profit and total comprehensive income for the year		-	-	-	32,923	32,923
<b>Balance at 31 December 2015</b>		2,200	159,713	200	(10,639)	151,474
<b>Year ended 31 December 2016:</b>						
Profit and total comprehensive income for the year		-	-	-	22,533	22,533
Redemption of shares	12	(100)	-	100	-	-
<b>Balance at 31 December 2016</b>		2,100	159,713	300	11,894	174,007



# CENTIGRADE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

#### Company information

Centigrade International Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is given on the company information page.

The group consists of Centigrade International Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies and groups subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

These group and company financial statements for the year ended 31 December 2016 are the first financial statements of Centigrade International Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Centigrade International Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.



# CENTIGRADE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies (Continued)

#### 1.3 Going concern

The group's cash flow forecasts show that its continuing activities are profitable and that the group can operate within its current working capital facilities for the foreseeable future. The directors therefore believe that the group has sufficient financial resources to continue its operations and, as such, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The company's overdraft facility is due for renewal in March 2018 and the directors have no reason to believe that this would not be renewed on a similar basis.

#### 1.4 Turnover

The turnover shown in the group profit and loss account represents amounts supplied during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done during the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

#### 1.5 Intangible fixed assets - goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its useful economic life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed 10 years. Useful economic lives are reviewed at the end of each reporting period and revised if necessary, subject to the constraint that the revised life shall not exceed 10 years from the date of acquisition. The carrying amount at the date of revision is depreciated over the revised estimate of remaining useful economic life.

Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Goodwill	- straight line 10 years
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#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold property	- straight line over 4 years
Equipment	- straight line over 3 years
Fixtures & fittings	- straight line over 2 to 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.



## CENTIGRADE INTERNATIONAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.





# CENTIGRADE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.



# CENTIGRADE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### 1.12 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on transactions are included in the profit and loss account for the period.

### 2 Operating profit/(loss)

	2016	2015
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exceptional items - Set up costs	-	40,000
	<u>          </u>	<u>          </u>

### 3 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2016 Number	2015 Number	Company 2016 Number	2015 Number
Total employees	<u>32</u>	<u>29</u>	<u>-</u>	<u>-</u>



# CENTIGRADE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 4 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 January 2016	159,623
Other changes	810
At 31 December 2016	160,433
<b>Amortisation and impairment</b>	
At 1 January 2016	85,406
Amortisation charged for the year	15,413
Exchange differences	442
At 31 December 2016	101,261
<b>Carrying amount</b>	
At 31 December 2016	59,172
At 31 December 2015	74,217

The company had no intangible fixed assets at 31 December 2016 or 31 December 2015.

### 5 Tangible fixed assets

Group	Leasehold property £	Equipment £	Fixtures & fittings £	Total £
<b>Cost</b>				
At 1 January 2016	6,742	419,762	43,893	470,397
Additions	4,449	195,230	501	200,180
Disposals	(7,391)	(205,629)	(38,160)	(251,180)
Exchange adjustments	1,069	75,300	4,803	81,172
At 31 December 2016	4,869	484,663	11,037	500,569
<b>Depreciation and impairment</b>				
At 1 January 2016	4,972	235,092	37,162	277,226
Depreciation charged in the year	371	31,361	781	32,513
Eliminated in respect of disposals	(5,451)	(46,166)	(32,964)	(84,581)
Exchange adjustments	514	38,560	4,043	43,117
At 31 December 2016	406	258,847	9,022	268,275
<b>Carrying amount</b>				
At 31 December 2016	4,463	225,816	2,015	232,294
At 31 December 2015	1,770	184,673	6,730	193,173



# CENTIGRADE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 5 Tangible fixed assets (Continued)

Company	Equipment £
<b>Cost</b>	
At 1 January 2016 and 31 December 2016	4,944
<b>Depreciation and impairment</b>	
At 1 January 2016	4,762
Depreciation charged in the year	107
At 31 December 2016	4,869
<b>Carrying amount</b>	
At 31 December 2016	75
At 31 December 2015	182

### 6 Fixed asset investments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments	-	-	808	808

### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2016 and 31 December 2016	808
<b>Carrying amount</b>	
At 31 December 2016	808
At 31 December 2015	808



**CENTIGRADE INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**7 Subsidiaries**

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Centigrade Europe Limited	United Kingdom	Intermediate holding company	Ordinary	100.00
Centigrade Inc	United States of America	Marketing Services	Ordinary	100.00
Centigrade Europe B.V.	Netherlands	Marketing Services	Ordinary	100.00
Centigrade Asia	Hong Kong	Marketing Services	Ordinary	100.00
Centigrade Sports & Entertainment management inc	United States of America	Marketing Services	Ordinary	100.00
				Indirect

**8 Debtors**

	Group 2016 £	2015 £	Company 2016 £	2015 £
<b>Amounts falling due within one year:</b>				
Trade debtors	761,509	466,568	-	-
Amounts due from group undertakings	-	-	272,739	234,455
Other debtors	43,079	42,777	18,575	13,439
Prepayments and accrued income	113,428	35,271	-	-
	<u>918,016</u>	<u>544,616</u>	<u>291,314</u>	<u>247,894</u>
Deferred tax asset	30,957	34,785	-	-
	<u>948,973</u>	<u>579,401</u>	<u>291,314</u>	<u>247,894</u>

**9 Creditors: amounts falling due within one year**

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	11	176,975	151,730	79,094	85,027
Obligations under finance leases		9,064	3,430	-	-
Trade creditors		535,683	580,206	25,816	4,384
Corporation tax payable		13,226	(1,841)	5,281	-
Other taxation and social security		36,159	35,568	-	-
Accruals and deferred income		84,433	92,320	8,000	8,000
		<u>855,540</u>	<u>861,413</u>	<u>118,191</u>	<u>97,411</u>



# CENTIGRADE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	11	-	20,404	-	-
Obligations under finance leases		186,782	88,700	-	-
Other borrowings	11	138,615	181,614	-	-
Other creditors		6,783	-	-	-
		<u>332,180</u>	<u>290,718</u>	<u>-</u>	<u>-</u>

Obligations under finance leases are secured against the asset.

### 11 Loans and overdrafts

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans	97,881	87,107	-	-
Bank overdrafts	79,094	85,027	79,094	85,027
Other loans	138,615	181,614	-	-
	<u>315,590</u>	<u>353,748</u>	<u>79,094</u>	<u>85,027</u>
Payable within one year	176,975	151,730	79,094	85,027
Payable after one year	138,615	202,018	-	-

Bank loans are secured on the assets of Centigrade Inc. The bank overdraft is secured by way of a personal guarantee from the director, Nick Matthews. In addition, other loans are secured by way of a personal guarantee from the director, Julie Barnard.

### 12 Share capital

	Group and company	
	2016 £	2015 £
Ordinary share capital Issued and fully paid 210,000 of 1p each	<u>2,100</u>	<u>2,200</u>



## CENTIGRADE INTERNATIONAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 12 Share capital

(Continued)

##### Reconciliation of movements during the year:

	Ordinary £0.01 Shares Number
At 1 January 2016	220,000 (10,000)
At 31 December 2016	<u>210,000</u>

#### 13 Financial commitments, guarantees and contingent liabilities

At 31 December 2016 the company was committed to making future payments of £568,469 under non-cancellable operating leases (2015: £569,834).

#### 14 Related party transactions

During the year, Centigrade International Limited paid £345,579 (2015: £305,220) to non-group companies under the control of the directors.

No other transactions with related parties were undertaken such as are required to be disclosed under FRS 102 Section 1A.