

Centric Commercial Finance Limited

Financial Statements

Year ended 31 December 2014

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Centric Commercial Finance Limited

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Centric Commercial Finance Limited

COMPANY INFORMATION

Directors

R.A. Pyman
T.F. Wood
J. Onslow

Secretary

D.J. Rushbrook

Registered Office

Lutea House
Warley Hill Business Park
The Drive
Brentwood
Essex
CM13 3BE

Registered in England No. 6406043

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Centric Commercial Finance Limited

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements for the year ended 31 December 2014.

The Directors have taken advantage of the small companies' exemption with regards to the preparation of a strategic report. As such, no report has been prepared for the year ended 31 December 2014.

Principal activities

The Company is one of the Centric Group of companies which provides provision of working capital and growth finance to SMEs by way of invoice finance and other asset based loan activities.

The Company's principal activity is the employment of staff and management and support of the infrastructure of the Centric Group. The Company recharges the costs of these activities to its fellow subsidiaries.

Operating and financial review

On 9 June 2014 ("Completion"), Shawbrook Bank Limited ("Shawbrook") acquired the entire share capital of Centric Group Holdings Limited ("CGH"), the Company's ultimate holding company on that date. CGH and its subsidiaries were known as the Centric Group.

On Completion, the Company entered into an interim servicing agreement with Shawbrook, which was effective until the 30 June 2014 when the Company's assets and liabilities were transferred by way of an equitable assignment to Shawbrook at their net book value.

Following the rebranding in October 2014, the trade of the Centric Group is now channelled through the Shawbrook Business Credit division.

Risk management is assessed by Shawbrook's Audit and Risk Committees and updated to meet changing business requirements and to comply with best practice.

Results and dividends

The Company made a profit before taxation of £1,344,356 (2013: £329,464). Profit after taxation was £1,082,208 (2013: £240,356) and the entire amount was transferred to reserves. A dividend of £567,964 was paid (2013: £nil).

Going concern

The Company does not trade and the Directors do not intend to commence a new trade within the Company, therefore the financial statements have not been prepared on a going concern basis.

Political and charitable donations

The Company did not make any charitable donations (2013: £50,750) during the year. There were no political donations.

Supplier payment policy

We do not currently subscribe to any code or standard on payment practice. Our policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, to ensure that those suppliers are made aware of the terms of payment, and to abide by the terms of payment.

Centric Commercial Finance Limited

DIRECTORS' REPORT

(continued)

Directors

The Directors during the year ended 31 December 2014 were as follows :

R.A. Pyman	- appointed 9 June 2014
T.F. Wood	- appointed 9 June 2014
S.D. Johnson	- appointed 8 July 2015
J. Onslow	- resigned 8 July 2015
R. Archibald	- resigned 9 June 2014
S. Bates	- resigned 9 June 2014
T. Hawkins	- resigned 9 June 2014
A. Rutherford	- resigned 9 June 2014
C. Sales	- resigned 9 June 2014
L. Wood	- resigned 9 June 2014

Secretary

D.J. Rushbrook

Company number

Registered in England No. 6406043

Directors' Insurance

The parent company maintains an insurance policy for the directors and officers of the Company against any liabilities incurred in the conduct of their duties.

Directors' Interests

No Director at the end of the year had any beneficial interest in the capital of the Company.

Statement of disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

Auditor

On the 25 June 2014, BDO LLP resigned as the Company's auditors and on the same day KPMG LLP were appointed to office.

By order of the Board



T.F. Wood
Director

24 September 2015

Centric Commercial Finance Limited

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 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 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.

**INDEPENDENT AUDITOR'S REPORT to the members of
Centric Commercial Finance Limited**

We have audited the financial statements of Centric Commercial Finance Limited for the year ended 31 December 2014, set out on pages 7 to 14, which comprise the profit and loss account, the balance sheet 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).

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 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 5, 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 2014 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Emphasis of matter - non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the Accounting Policies note to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note.

Matters on which we are required to report by exception

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

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



Simon Clark (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square, London, E14 5GL

24 September 2015

Centric Commercial Finance Limited

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.

Reporting entity

Centric Commercial Finance Limited is a Company incorporated and domiciled in the United Kingdom. The registered office of the Company is Lutea House, Warley Hill Business Park, The Drive, Brentwood, Essex, CM13 3BE. The principal activities of the Company are set out on page 3.

Statement of Compliance

The financial statements have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Basis of preparation

The financial statements are presented in Pounds Sterling. They are prepared on the historical cost basis.

The financial statements have not been prepared on a going concern basis as the Company has ceased trading and the directors do not intend to commence a new trade. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

Turnover

Turnover represents service fees charged to fellow group undertakings.

Goodwill

Goodwill arising in respect of acquisitions is capitalised and amortised through the profit and loss account over the lower of their useful economic lives and a period of 20 years. The goodwill was transferred to Shawbrook on 9 June 2014.

Fixed assets

Tangible fixed assets are stated at cost net of depreciation and impairment in value.

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	- over the period of the lease
Fixtures, fittings and equipment	- 20% per annum
Computer hardware and software	- 33% - 50% per annum

All fixed assets were transferred to Shawbrook on 9 June 2014.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

All deferred tax balances were transferred to Shawbrook on 9 June 2014.

Cash flow statement

The Company has taken advantage of the exemption conferred by the Financial Reporting Standard 1 "Cash Flow Statements", not to prepare a cash flow statement as it is included in the consolidated financial statements prepared by its ultimate parent company.

Leased assets

The company held no finance leases. Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution scheme are charged to the profit and loss account in the period which they become payable.

Centric Commercial Finance Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	1	4,486,704	7,741,058
Administrative expenses		(3,346,928)	(7,404,728)
Write back of intercompany balance		206,425	-
Operating profit	4	1,346,201	336,330
Interest receivable		-	116
Interest payable and similar charges	5	(1,845)	(6,982)
Profit on ordinary activities before taxation		1,344,356	329,464
Taxation on profit from ordinary activities	6	(262,148)	(89,108)
Profit on ordinary activities after taxation		1,082,208	240,356

The accompanying accounting policies and notes form an integral part of these financial statements.

All recognised gains and losses are included in the profit and loss account.

Centric Commercial Finance Limited


BALANCE SHEET

At 31 December 2014

	Note	2014 £	2013 £
Fixed Assets			
Intangible assets	7	-	1,127,656
Tangible assets	8	-	191,746
		<u>-</u>	<u>1,319,402</u>
Current assets			
Debtors	9	-	175,673
Cash at bank and in hand		-	253
		<u>-</u>	<u>175,926</u>
Creditors: amounts falling due within one year	10	-	(2,009,572)
Net current assets		<u>-</u>	<u>(1,833,646)</u>
Total assets less current liabilities		<u>-</u>	<u>(514,244)</u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	(2)	(514,246)
		<u>-</u>	<u>-</u>
Shareholders' funds	14	<u>-</u>	<u>(514,244)</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 24 September 2015.



T.F. Wood
Director

Company registered number 6406043

Centric Commercial Finance Limited

NOTES TO THE ACCOUNTS

1 Turnover

Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

2 Employees

Staff costs consist of:

Wages and salaries
Social security costs
Other pension costs

	2014 £	2013 £
Wages and salaries	1,753,793	3,838,704
Social security costs	217,326	475,211
Other pension costs	119,098	218,740
	<u>2,090,217</u>	<u>4,532,655</u>

The average number of employees including directors during the year was 48 (2013: 48). On 1 July 2014, all staff had their employment contracts transferred to Shawbrook and since then their remuneration has been borne by that company.

3 Directors' remuneration

Directors' remuneration consists of:

Emoluments
Payments to defined contribution scheme

	2014 £	2013 £
Emoluments	433,082	1,308,143
Payments to defined contribution scheme	42,715	86,132
	<u>475,797</u>	<u>1,394,275</u>
Highest paid director		
Emoluments	83,307	281,917
Payments to defined contribution scheme	11,597	21,900
	<u>94,904</u>	<u>303,817</u>

There were 6 (2013: 6) directors in the Company's defined contribution pension scheme during the year.

4 Operating profit

This has been arrived at after charging:

Depreciation
Amortisation
Hire of other assets - operating leases
Auditors' remuneration:
- fees payable for audit services
- group tax compliance services
Loss on disposal of fixed assets

	2014 £	2013 £
Depreciation	78,319	158,953
Amortisation	40,274	80,546
Hire of other assets - operating leases	97,578	194,084
Auditors' remuneration:		
- fees payable for audit services	7,000	8,000
- group tax compliance services	8,000	11,250
Loss on disposal of fixed assets	-	2,287
	<u></u>	<u></u>

5 Interest payable and similar charges

Bank charges and interest

	2014 £	2013 £
Bank charges and interest	1,845	6,982
	<u></u>	<u></u>

Centric Commercial Finance Limited

NOTES ON THE ACCOUNTS

(continued)

6 Taxation on profit from ordinary activities

	2014 £	2013 £
Current tax	256,157	109,803
Deferred tax	5,991	(20,695)
	<u>262,148</u>	<u>89,108</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>1,344,356</u>	<u>329,464</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	289,037	76,589
Effects of:		
Expenses not deductible for tax purposes	(38,618)	19,961
Permanent difference arising from changes in corporation tax rate	8,488	-
Depreciation in excess of capital allowances	2,078	22,050
Movement on provisions	(4,828)	(157)
Over provision in respect of prior years	-	(8,640)
Current tax charge for the year	<u>256,157</u>	<u>109,803</u>

A deferred tax charge of £5,991 (2013: credit £20,695) has arisen as a result of charging depreciation in excess of claiming capital allowances.

7 Intangible assets

Goodwill:

Cost or valuation

Balance brought forward
Transferred to Shawbrook

Balance carried forward

Amortisation

Balance brought forward
Amortised in the year
Transferred to Shawbrook

Balance carried forward

Net book value

	2014 £	2013 £
Balance brought forward	1,610,937	1,610,937
Transferred to Shawbrook	(1,610,937)	-
Balance carried forward	<u>-</u>	<u>1,610,937</u>
Balance brought forward	483,281	402,735
Amortised in the year	40,274	80,546
Transferred to Shawbrook	(523,555)	-
Balance carried forward	<u>-</u>	<u>483,281</u>
Net book value	<u>-</u>	<u>1,127,656</u>

On 30 June 2014, the intangible assets were transferred to Shawbrook Bank Limited.

Centric Commercial Finance Limited

NOTES ON THE ACCOUNTS (continued)

8 Tangible assets

	Leasehold improvements £	Computer hardware & software £	Fixtures fittings & equipment £	Total £
Cost				
At 1 January 2013	259,287	489,058	96,640	844,985
Additions	-	25,622	2,535	28,157
Disposals	-	(118,087)	(16,067)	(134,154)
At 31 December 2013	259,287	396,593	83,108	738,988
Additions	-	44,797	506	45,303
Disposals	-	-	-	-
Transfer to Shawbrook	(259,287)	(441,390)	(83,614)	(784,291)
At 31 December 2014	-	-	-	-
Depreciation				
At 1 January 2013	132,971	330,024	57,161	520,156
Depreciation charge	51,857	90,944	16,152	158,953
Disposals	-	(115,800)	(16,067)	(131,867)
At 31 December 2013	184,828	305,168	57,246	547,242
Disposals	-	-	-	-
Depreciation charge	25,929	44,067	8,323	78,319
Transfer to Shawbrook	(210,757)	(349,235)	(65,569)	(625,561)
At 31 December 2014	-	-	-	-
Net book value				
At 31 December 2014	-	-	-	-
At 31 December 2013	74,459	91,425	25,862	191,746

On 30 June 2014, all fixed assets were transferred to Shawbrook Bank Limited.

9 Debtors

Amounts due from group undertakings
Prepayments and accrued income
Other debtors
Corporation tax
Deferred tax

2014 £	2013 £
-	-
-	139,679
-	7,648
-	16,399
-	11,947
-	175,673

Centric Commercial Finance Limited

NOTES ON THE ACCOUNTS

(continued)

10 Creditors: amounts falling due within one year

Trade creditors
Amounts due to group undertakings
Bank overdraft
Other taxation and social security
Accruals
Other creditors

2014 £	2013 £
-	110,746
-	1,169,645
-	31,688
-	229,661
-	444,471
-	23,361
-	<u>2,009,572</u>

The amount owed to group undertakings are owed to Centric Group Finance Limited, a member of the Centric Group Holdings Limited group.

11 Commitments under operating leases

Operating leases which expire in:

Two to five years

2014 £	2013 £
-	154,654

The Company's leases were transferred to Shawbrook on 1 July 2014.

12 Share capital

Allotted, called up and fully paid share capital

2 Ordinary shares of £1 (2013 - 2 Ordinary shares of £1)

2014 £	2013 £
2	2

13 Reserves

Profit and Loss Account:

At 1 January

Profit for the year

Dividend

At 31 December

2014 £	2013 £
(514,246)	(754,602)
1,082,208	240,356
(567,964)	-
(2)	<u>(514,246)</u>

Centric Commercial Finance Limited

NOTES ON THE ACCOUNTS

(continued)

14 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Opening shareholders funds	(514,244)	(754,600)
Profit for the year	1,082,208	240,356
Dividend	(567,964)	-
	<hr/>	<hr/>
Closing shareholders funds	-	(514,244)
	<hr/>	<hr/>

15 Related party transactions

The Company is a wholly owned subsidiary of Shawbrook Bank Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Centric Group Holdings Limited or other wholly owned subsidiaries within the group.

16 Ultimate holding company

On 9 June 2014, Shawbrook Bank Limited purchased the entire share capital of the Company following which the Company's ultimate holding company became Shawbrook Group plc (previously known as Laidlaw Acquisitions Limited), a company incorporated in England and Wales and is the largest company in which the results of the Company are consolidated.

The consolidated financial statements of Shawbrook Group plc are available on request from Lutea House, Warley Hill Business Park, Brentwood, Essex CM13 3BE.

Prior to 9 June 2014, the Company's ultimate parent company was Centric Group Holdings Limited.