

## **Centric SPV 2 Limited**

Report and Financial Statements

Year Ended

31 December 2011

Company Number 6675843



# **Centric SPV 2 Limited**

## **Report and financial statements for the year ended 31 December 2011**

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### **Directors**

R Archibald  
T Hawkins  
J Onslow  
A Rutherford  
C Sales  
L Wood

### **Secretary and registered office**

R Archibald, 69 Park Lane, Croydon, Surrey CR0 1JD

### **Company number**

6675843

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **Centric SPV 2 Limited**

## **Report of the directors for the year ended 31 December 2011**

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The directors present their report together with the audited financial statements for the year ended 31 December 2011

### **Principal activities, trading review and future developments**

The Company is one of the Centric Group of companies which was formed to provide finance secured against assets to SMEs, providing stakeholders with a premium risk adjusted return

The principal activity of the Company is the provision of asset-based finance to the commercial SME sector

The directors are pleased with the results achieved in this first period and look forward to ongoing growth

### **Results and dividends**

The profit and loss account is set out on page 5 and shows the profit for the year

The directors do not recommend the payment of a dividend

### **Directors**

The directors of the company during the period were

R Archibald  
J Onslow  
T Hawkins  
A Rutherford  
C Sales  
L Wood (*appointed 31 May 2011*)

No director had any interest in the ordinary shares of the company

The continuing directors are also directors of the ultimate parent company Centric Group Holdings Limited, and their interests in the share capital of that company are shown in its financial statements

### **Insurance**

The company has directors' and officers' liability insurance and it is intended to maintain such cover for the full term of their employment

# Centric SPV 2 Limited

## Report of the directors for the year ended 31 December 2011 (*continued*)

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### Directors' responsibilities

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 year.

In preparing these 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 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 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.

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at a forthcoming board meeting in accordance with section 487 of the Companies Act 2006.

### By order of the Board



R Archibald  
Secretary

16 February 2012

# **Centric SPV 2 Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF CENTRIC SPV 2 LIMITED**

We have audited the financial statements of Centric SPV 2 Limited for the year ended 31 December 2011 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 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 statement of directors' responsibilities, 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 (APB'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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 2011 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 matters 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.

## Centric SPV 2 Limited

### Independent auditor's report (*continued*)

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#### **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 prepare the financial statements and the directors' report in accordance with the small companies' regime



*Daniel Taylor (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom*

16 February 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

## Centric SPV 2 Limited

### Profit and loss account for the year ended 31 December 2011

	Note	2011 £	2010 £
Turnover	2	904,131	1,204,832
Administrative expenses		(326,869)	(452,593)
<b>Operating profit</b>	3	<b>577,262</b>	752,239
Interest payable and similar charges	4	(490,846)	(678,689)
<b>Profit on ordinary activities before taxation</b>		<b>86,416</b>	73,550
Taxation on profit from ordinary activities	5	(19,559)	(17,506)
<b>Profit on ordinary activities after taxation</b>		<b>66,857</b>	56,044

All amounts relate to continuing activities

There are no recognised gains and losses other than that stated above

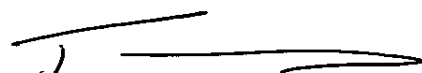
The notes on pages 7 to 10 form part of these financial statements

# Centric SPV 2 Limited

## Balance sheet at 31 December 2011

<b>Company number 6675843</b>	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Current assets</b>			
Debtors			
- due within one year	6	57,761	22,635,593
- due after one year	6	15,100,000	-
		<u>15,157,761</u>	<u>22,635,593</u>
<b>Creditors: amounts falling due within one year</b>	7	(19,559)	-
<b>Net current assets</b>		<u>15,138,202</u>	<u>22,635,593</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(14,917,421)	(22,481,669)
<b>Net assets</b>		<u>220,781</u>	<u>153,924</u>
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and loss account	10	220,681	153,824
<b>Shareholders' funds</b>		<u>220,781</u>	<u>153,924</u>

The financial statements were approved by the Board of Directors and authorised for issue on 16 February 2012



J Onslow  
Director

The notes on pages 7 to 10 form part of these financial statements

# Centric SPV 2 Limited

## Notes forming part of the financial statements for the year ended 31 December 2011

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### 1 Accounting policies

The audited financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

#### *Turnover*

Turnover comprises interest on loan facilities and ancillary service fee income. Discount and interest are recognised on an accruals basis, fees are recognised either when charged or spread over the term of an asset based loan facility.

#### *Cashflow statement*

The company has taken advantage of the exemption conferred by 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.

#### *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 balances are recognised 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.

Deferred tax balances are not discounted.

#### *Trade debtors*

Trade debtors comprise amounts due in respect of invoice discounting and asset based loans and are shown gross of amounts due to clients.

Specific provisions are made to reduce all impaired debtors to their expected realisable value and are included in administrative expenses. Provisions are made on the basis of past experience, management information and other relevant factors.

### 2 Turnover

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

### 3 Operating profit

The directors of the company are its only employees, their salaries are paid by another group company.

Auditor's remuneration of £2,500 (2010 £2,500) was paid by another group company.

# Centric SPV 2 Limited

Notes forming part of the financial statements  
for the year ended 31 December 2011 (*continued*)

## 4 Interest payable and similar charges

	2011 £	2010 £
Interest payable to parent company	<u>490,846</u>	<u>678,689</u>

## 5 Taxation on profit from ordinary activities

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

	2011 £	2010 £
Profit on ordinary activities before tax	86,416	73,550
Profit on ordinary activities at the standard rate of corporation tax in the UK of 26.5% (2010 28%)	22,894	20,594
Marginal relief	(3,335)	-
Small companies relief	-	(3,088)
	<u>19,559</u>	<u>17,506</u>
Current tax charge for period	<u>19,559</u>	<u>17,506</u>

## 6 Debtors

	2011 £	2010 £
Trade debtors	15,100,000	22,550,000
Prepayments and accrued income	57,761	85,593
	<u>15,157,761</u>	<u>22,635,593</u>

Included in trade debtors above is £15,100,000 (2010 £nil) which falls due for payment after more than one year

# Centric SPV 2 Limited

Notes forming part of the financial statements  
for the year ended 31 December 2011 (*continued*)

## 7 Creditors: amounts falling due within one year

	2011 £	2010 £
Corporation tax payable	19,559	-
	<u>19,559</u>	<u>-</u>

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

	2011 £	2010 £
Amounts due to group undertakings	14,917,421	22,464,162
Corporation tax payable	-	17,507
	<u>14,917,421</u>	<u>22,481,669</u>

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

## 9 Share capital

	Allotted, called up fully paid			
	2011 Number	2010 Number	2011 £	2010 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

## 10 Reserves

	Profit and loss account £
At 1 January 2011	153,824
Profit for year	66,857
	<u>220,681</u>
At 31 December 2011	

# **Centric SPV 2 Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2011 (*continued*)**

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## **10 Related party transactions**

The company is a wholly owned subsidiary of Centric Group Holdings 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

## **11 Ultimate parent company**

At 31 December 2011 the company's ultimate parent company was Centric Group Holdings Limited which is the parent of both the smallest and largest groups of which the company is a member

Copies of the consolidated financial statements of Centric Group Holdings Limited are available from Companies House

It is the opinion of the directors that CS Capital Partners III, L P is the ultimate controlling party owing to their 100% ownership of the "A" shares in the ultimate holding company