

Registered number: SC268024

Centros UK Limited

Financial statements

Information for filing with the registrar

For the Year Ended 31 March 2018

**Directors' Responsibilities Statement
For the Year Ended 31 March 2018**

We confirm that as directors we have met our duty in accordance with the Companies Act 2006 to:

- ensure that the Company has kept adequate accounting records;
- prepare financial statements which give a true and fair view of the state of affairs of the Company as at 31 March 2018 and of profit and loss for that period in accordance with Generally Accepted Accounting Practice in the UK; and
- follow the applicable accounting policies, subject to any material departures disclosed and explained in the notes to the financial statements.

The Directors' Responsibilities Statement was approved by the board and signed on its behalf.

.....
C J Geaves

Director

Date: 06 December 2018

Balance Sheet
As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	397	759
Investments	5	1	1
		<u>398</u>	<u>760</u>
Current assets			
Debtors: amounts falling due within one year	6	1,199,300	1,125,008
Cash at bank and in hand	7	7,583	55,187
		<u>1,206,883</u>	<u>1,180,195</u>
Creditors: amounts falling due within one year	8	(99,204)	(154,783)
Net current assets		<u>1,107,679</u>	<u>1,025,412</u>
Total assets less current liabilities		<u>1,108,077</u>	<u>1,026,172</u>
Net assets		<u><u>1,108,077</u></u>	<u><u>1,026,172</u></u>

Balance Sheet (continued)
As at 31 March 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital		102	102
Profit and loss account		1,107,975	1,026,070
		<u>1,108,077</u>	<u>1,026,172</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

.....
C J Geaves

Director

Date: 6 December 2018

The notes on pages 4 to 10 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

1. General information

Centros UK Limited is a private company limited by shares, incorporated in Scotland.

The company number is SC268024.

The registered office is:

5th Floor

150 St. Vincent Street

Glasgow

G2 5NE

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.4 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-
	5 to 10 years straight line per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Notes to the Financial Statements
For the Year Ended 31 March 2018

2. Accounting policies (continued)

2.13 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2017 - 7).

4. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 April 2017	97,281
At 31 March 2018	97,281
Depreciation	
At 1 April 2017	96,522
Charge for the year on owned assets	362
At 31 March 2018	96,884
Net book value	
At 31 March 2018	397
At 31 March 2017	759

Notes to the Financial Statements
For the Year Ended 31 March 2018

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2017	1
At 31 March 2018	<u>1</u>
Net book value	
At 31 March 2018	<u>1</u>
At 31 March 2017	<u>1</u>

6. Debtors

	2018 £	2017 £
Trade debtors	146,400	96,060
Amounts owed by group undertakings	624,724	799,632
Other debtors	102	1,562
Prepayments and accrued income	252,764	25,000
Deferred taxation	175,310	202,754
	<u>1,199,300</u>	<u>1,125,008</u>

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	7,583	55,187
	<u>7,583</u>	<u>55,187</u>

Notes to the Financial Statements
For the Year Ended 31 March 2018

8. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	2,592	32,077
Corporation tax	-	40
Other taxation and social security	87,012	116,083
Other creditors	-	6,583
Accruals and deferred income	9,600	-
	<u>99,204</u>	<u>154,783</u>

9. Deferred taxation

	2018
	£
At beginning of year	202,754
Charged to profit or loss	(27,444)
At end of year	<u>175,310</u>

The deferred tax asset is made up as follows:

	2018	2017
	£	£
Accelerated capital allowances	1,659	1,977
Tax losses carried forward	173,651	200,777
	<u>175,310</u>	<u>202,754</u>

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £8,358 (2017 - £8,558). Contributions totalling £nil (2017 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

11. Related party transactions

During the year the company made the following related party transactions:

Centros Management Limited

(Subsidiary company)

During the year the company received management fees of £632,853 (2017: £940,543) from the subsidiary company.

At the balance sheet date the amount due to Centros Management Limited was £nil (2017: £nil).

Sovereign Land (Management) Limited

(A group company)

During the year the company provided an interest free loan which is repayable on demand to Sovereign Land (Management) Limited and was also charged management fees of £330,000 (2017: £247,500) by Sovereign Land (Management) Limited.

During the year Centros UK Limited recharged other costs of £3,889 (2017: £8,048) to Sovereign Land (Management) Limited in respect of the company's share of rental and other costs.

During the year Sovereign Land (Management) Limited recharged other costs of £204,864 (2017: £196,959) to Centros UK Limited in respect of the company's share of other costs.

At the balance sheet date the amount due from Sovereign Land (Management) Limited was £624,724 (2017: £799,632).

12. Controlling party

The company is controlled by Sovereign Land (Centros) Limited (parent company). The company is a subsidiary of Sovereign Land (Management) Limited, which in turn is a subsidiary of Sovereign Land (Holdings) Limited, all of which are incorporated in the United Kingdom. Chris Greaves is the director and shareholder of Sovereign Land (Holdings) Limited.

13. Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Centros Management Limited	England	Ordinary	100 %	That of property development and asset management services.

The aggregate of the share capital and reserves as at 31 March 2018 and the profit or loss for the year ended on that date for the subsidiary undertaking was £nil (2017: £nil).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.