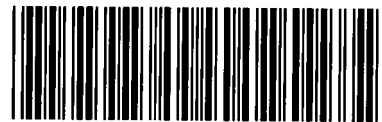


**Centek Properties Limited**

**Annual Report and Financial Statements  
Year Ended 31 October 2018**

**Registration number: 05870579**

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# **Centek Properties Limited**

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# Centek Properties Limited

## Directors' Report

### Year Ended 31 October 2018

The directors present their report and the financial statements for the year ended 31 October 2018.

#### Directors of the company

The directors who held office during the year were as follows:

A F Cutmore (resigned 28 September 2018)

G W White (resigned 26 January 2018)

D Janicek (appointed 26 January 2018)

The following director was appointed after the year end:

T E Crone (appointed 6 March 2019)

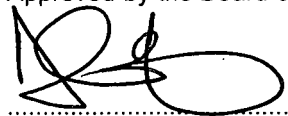
#### Disclosure of information to the auditors

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 8/1/19..... and signed on its behalf by:  
1 August 2019



D Janicek  
Director

## **Centek Properties Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual 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 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.

# **Centek Properties Limited**

## **Independent Auditor's Report to the Members of Centek Properties Limited**

### **Opinion**

We have audited the financial statements of Centek Properties Limited (the 'company') for the year ended 31 October 2018, which comprise the Statement of Income and Retained Earnings, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **Centek Properties Limited**

## **Independent Auditor's Report to the Members of Centek Properties Limited**

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

In our opinion, based on the work undertaken in the course of the 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.

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

In the light of our knowledge and understanding of the 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, 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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Centek Properties Limited**

### **Independent Auditor's Report to the Members of Centek Properties Limited**

#### **Use of our report**

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.

*PKF Francis Clark*

Glenn Nicol (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Centenary House  
Peninsula Park  
Rydon Lane  
Exeter  
EX2 7XE

Date: *19/8/2019*

## Centek Properties Limited

### Statement of Income and Retained Earnings

Year Ended 31 October 2018

	Note	2018 £	2017 £
Turnover	3	449,000	449,000
Administrative expenses		<u>(9,464)</u>	<u>(14,192)</u>
Operating profit		439,536	434,808
Interest payable and similar charges	4	<u>(20,124)</u>	<u>(20,570)</u>
Gain on financial instruments at fair value		<u>10,226</u>	<u>14,571</u>
Profit before tax		429,638	428,809
Taxation	5	<u>(80,930)</u>	<u>(82,000)</u>
Profit for the financial year		348,708	346,809
Retained earnings brought forward		<u>(224,387)</u>	<u>(571,196)</u>
Retained earnings carried forward		<u>124,321</u>	<u>(224,387)</u>

The notes on pages 8 to 13 form an integral part of these financial statements.



# Centek Properties Limited

## Balance Sheet

31 October 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investment property	6	4,856,647	4,856,647
<b>Current assets</b>			
Debtors	7	1,300	1,250
Cash at bank and in hand		<u>170,566</u>	<u>87,955</u>
		171,866	89,205
<b>Creditors: Amounts falling due within one year</b>	8	<u>(4,460,079)</u>	<u>(4,675,523)</u>
<b>Net current liabilities</b>		<u>(4,288,213)</u>	<u>(4,586,318)</u>
<b>Total assets less current liabilities</b>		568,434	270,329
<b>Creditors: Amounts falling due after more than one year</b>	8	(352,112)	(413,715)
<b>Provisions for liabilities</b>		<u>(92,000)</u>	<u>(81,000)</u>
<b>Net assets/(liabilities)</b>		<u>124,322</u>	<u>(224,386)</u>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account		<u>124,321</u>	<u>(224,387)</u>
<b>Total equity</b>		<u>124,322</u>	<u>(224,386)</u>

Approved and authorised by the Board on 8/1/15 and signed on its behalf by:

1 August 2015



D Janicek  
Director

Company Registration Number: 05870579

# **Centek Properties Limited**

## **Notes to the Financial Statements**

**Year Ended 31 October 2018**

### **1 General information**

The Company is a incorporated in England and Wales.

The address of its registered office is:

Station View  
Forde Road  
Newton Abbot  
Devon  
TQ12 4AE

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

The Company's financial statements have been prepared in accordance with FRS102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention, modified to include certain items at fair value.

#### **Revenue recognition**

The turnover shown in the profit and loss account represents rent receivable during the year. Revenue is recognised on a straight line basis over the lease period.

#### **Tax**

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

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Investment property**

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually. Changes in fair value are recognised in profit or loss.

# **Centek Properties Limited**

## **Notes to the Financial Statements**

**Year Ended 31 October 2018**

### **Financial instruments**

#### ***Classification***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the net assets of the Company.

#### ***Recognition and measurement***

The Company has chosen to apply the recognition and measurement requirements of sections 11 & 12 of FRS102.

Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the Company's obligations are discharged, expire or are cancelled.

The company holds the following financial instruments:

- Short term intra group creditors;
- Bank loans;
- Cash and bank balances; and
- Interest rate swap.

With the exception of the interest rate swap, all of the financial instruments of the Company are considered to be basic financial instruments. Such basic instruments are initially measured at transaction price, including transaction costs. Those instruments considered current are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments. Long term instruments are subsequently measured at amortised costs using the effective interest rate method.

The interest rate swap is carried at fair value within Creditors due after one year, movements in the fair value from one balance sheet to the next are recorded in the profit and loss account.

#### ***Key sources of estimation uncertainty***

In preparing these financial statements, the directors make estimates concerning the future. The resulting estimates may, by definition, vary from the actual results. The directors consider the main areas of accounting estimates used in these financial statements to be:

Investment property valuations - investment properties are held at a market value as estimated by the directors. In making this estimation, the directors have considered current rental values and expected market yields.

# Centek Properties Limited

## Notes to the Financial Statements

Year Ended 31 October 2018

### 3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2018	2017
	£	£
Rent	<u>449,000</u>	<u>449,000</u>

### 4 Interest payable and similar expenses

	2018	2017
	£	£
Interest on bank borrowings	<u>20,124</u>	<u>20,570</u>

### 5 Taxation

Tax charged/(credited) in the profit and loss account

	2018	2017
	£	£
<b>Current taxation</b>		
UK corporation tax	70,000	68,000
UK corporation tax adjustment to prior periods	<u>(70)</u>	<u>-</u>
	69,930	68,000
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>11,000</u>	<u>14,000</u>
Tax expense in the income statement	<u>80,930</u>	<u>82,000</u>

# Centek Properties Limited

## Notes to the Financial Statements

### Year Ended 31 October 2018

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.4%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	<u>429,638</u>	<u>428,809</u>
Corporation tax at standard rate	81,631	83,189
Effect of expense not deductible in determining taxable profit (tax loss)	252	388
Movement in deferred tax relating to changes in tax rates	(1,385)	(1,577)
Net impact of under/over-provision of current tax in current and prior year	<u>432</u>	<u>-</u>
Total tax charge	<u>80,930</u>	<u>82,000</u>

#### Deferred tax

Deferred tax assets and liabilities:

2018	Liability £
Difference between accumulated depreciation and capital allowances	93,000
Fair value of interest rate swap	<u>(1,000)</u>
	<u>92,000</u>
2017	Liability £
Difference between accumulated depreciation and capital allowances	84,000
Fair value of interest rate swap	<u>(3,000)</u>
	<u>81,000</u>

# Centek Properties Limited

## Notes to the Financial Statements

Year Ended 31 October 2018

### 6 Investment properties

	2018 £
At 1 November	4,856,647
At 31 October	<u>4,856,647</u>

The Company's properties were valued on 31 October 2014 by Bruton Knowles, an independent valuer. Based upon market movements since that date, the directors consider that valuation to be materially correct at the balance sheet date.

### 7 Debtors

	2018 £	2017 £
Prepayments	<u>1,300</u>	<u>1,250</u>

### 8 Creditors

	2018 £	2017 £
<b>Due within one year</b>		
Bank loan	46,132	46,112
Amounts due to group undertakings	4,337,525	4,560,612
Corporation tax	70,000	68,000
Other creditors	5,621	-
Accrued expenses	801	799
	<u>4,460,079</u>	<u>4,675,523</u>
<b>Due after one year</b>		
Bank loan	352,112	397,868
Other creditors	-	15,847
	<u>352,112</u>	<u>413,715</u>

Bank balances are secured by a fixed and floating charge over the assets of the Company.

Other creditors falling due within one year (2017 - due after more than one year) represents the fair value of the Company's interest rate swap. The interest rate swap is measured at fair value through profit or loss.

# Centek Properties Limited

## Notes to the Financial Statements

Year Ended 31 October 2018

### 9 Obligations under leases and hire purchase contracts

#### Operating leases - lessor

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	449,000	449,000
Later than one year and not later than five years	1,796,000	1,796,000
Later than five years	<u>3,732,583</u>	<u>4,181,583</u>
	<u>5,977,583</u>	<u>6,426,583</u>

### 10 Share capital

#### Allotted, called up and fully paid shares

	No.	2018 £	No.	2017 £
Ordinary shares of £0.01 each	<u>100</u>	<u>1.00</u>	<u>100</u>	<u>1.00</u>

### 11 Financial guarantee contracts

An Unlimited Multilateral Company Guarantee has been given in favour of HSBC Bank plc by Centek Technologies Limited, Centek Holdings Limited, Centek Limited, Centek Properties Limited, Centek Overseas Holdings Limited, Centek EBT Limited, Centek US Holdings Inc and Centek Inc to secure all the present and future indebtedness and liabilities to the bank howsoever arising. Also cover by this guarantee is the group's foreign exchange trading facility of US\$700,000, there were no outstanding trades at this or the proceeding balance sheet date. All amounts under this guarantee are secured by fixed and floating charges over the assets of the companies.

The amount guaranteed at the year end is £21,451,219 (2017: £11,991,401).

### 12 Parent and ultimate parent undertaking

The Company's immediate parent is Centek Limited and the ultimate parent during the year was Madison Industries Holdings LLC.

The financial statements of Centek Technologies Limited are the largest and smallest group within which the results of the Company are consolidated. These financial statements are available upon request from Companies House.