

REGISTERED NO: 08626884

CENTRAL SQUARE LEEDS LIMITED

Report and Financial Statements for the 18 month period to 31 December 2015

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CENTRAL SQUARE LEEDS LIMITED

Incorporated and registered in England. Registered no. 08626884
Registered office: Laurence Pountney Hill, London, EC4R 0HH

CONTENTS	Page
Company information	1
Strategic report	2
Directors' report	3
Statement of Directors' responsibilities	4
Independent auditor's report	5
Statement of income and retained earnings	6
Statement of financial position	7
Notes to the financial statements	8- 12

CENTRAL SQUARE LEEDS LIMITED

DIRECTORS

A H Wells (appointed on 31 October 2014)

S J L Jones (appointed on 10 February 2016)

A J Pope (appointed on 31 October 2014, resigned on 10 February 2016)

COMPANY SECRETARY

M&G Management Services Limited

Laurence Pountney Hill

London

EC4R 0HH

United Kingdom

REGISTERED ADDRESS

Laurence Pountney Hill

London

EC4R 0HH

United Kingdom

AUDITOR

KPMG LLP

15 Canada Square

London

E14 5GL

United Kingdom

REGISTERED NUMBER

08626884

**CENTRAL SQUARE LEEDS LIMITED
STRATEGIC REPORT
FOR THE 18 MONTH PERIOD TO 31 DECEMBER 2015**

The Directors present their Strategic report for Central Square Leeds Limited ("the Company") for the 18 month period ended 31 December 2015.

Business review

The company was incorporated on 26 July 2013 as Roydhouse Properties (Central Square) Limited. The name of the company was changed to Central Square Leeds Limited on 7 November 2014. The company commenced trade on 26 July 2013.

The company's principal activity was, until 31 October 2014, that of property investment and development. On that date the company sold its investment property to The Prudential Assurance Company Limited, its immediate parent, at a cost of £10.1m of which £4.7m was still outstanding at the reporting date of 31 December 2015. This amount will be paid to the company on the Practical Completion date (as defined in the Agreement for sale and purchase). At 31 December 2015 the company had an outstanding loan payable to the previous shareholders, which will also be settled on the Practical Completion date.

The operating loss for the Company for the period was £576 (2014: loss £53). Further details of the results for the year are set out in the Statement of Income and Retained Earnings on page 6.

Principal risks and uncertainties

The risks and uncertainties faced by the Company are those inherent within the investment management industry, primarily:

Operational risk

Operational risk is the risk of loss or unintended gain arising from inadequate or failed internal processes and systems, from failures by personnel or from external events. All areas of the Company are exposed to operational risk through the nature of their day-to-day operations. Any control absence or failure associated with processes, people, systems or any external events can result in negative or unfavourable consequences to the Company.

Financial risk

Financial risk is the risk that the Company is unable to deliver sustainable performance, generate sustainable profits and maintain adequate capital and liquidity to meet customers' and stakeholders' requirements. Financial risk encompasses credit, liquidity and market risk.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In order to help ensure the profitability and solvency of the Company, the Company actively manages the exposure to credit risk on its balance sheet.

Liquidity risk is the risk that the Company, although solvent, does not have the available financial resources to enable it to meet its contractual obligations as they fall due, or that the Company can secure such resources only at excessive cost. The Company expects to hold sufficient capital and liquidity to ensure the continuity of its business under normal and stressed conditions.

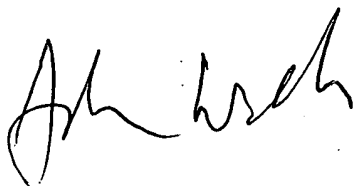
Market risk is the risk that changes in market prices, such as property asset prices, foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company's revenues are directly exposed to the level of, and movement in, real estate markets. A significant proportion of the Company's cost base is fixed and the board accepts that the Company's revenues and profits are exposed to short-term market fluctuations.

Key performance indicators

Given the straightforward nature of the business, the company directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

By order of the Board

A H Wells
Director



13 September 2016

**CENTRAL SQUARE LEEDS LIMITED
DIRECTORS' REPORT
FOR THE 18 MONTH PERIOD TO 31 DECEMBER 2015**

The Directors present their report and the audited financial statements for the 18 month period ended 31 December 2015.

Directors

The Directors who held office during the 18 month period ended 31 December 2015 were as follows:

A J Pope (appointed on 31 October 2014, resigned on 10 February 2016)
S J L Jones (appointed on 10 February 2016)
A H Wells (appointed on 31 October 2014)
D A Hodkin (resigned on 31 October 2014)
A S Cornack (resigned on 31 October 2014)

Directors' protection

Prudential Plc has arranged appropriate insurance cover in respect of legal action against directors and senior managers of companies within the Prudential Group. In addition, the Articles of Association of the Company provide that to the extent permitted by law every Director of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay to any such person all costs, losses and expenses which that person may incur or become liable to by reason of any contract entered into or any act or deed done by such person as a Director of the Company or in any way in the discharge of that person's duties.

Political and charitable contributions

The Company made no political or charitable contributions during the period (2014: £nil).

Disclosure of information to auditor

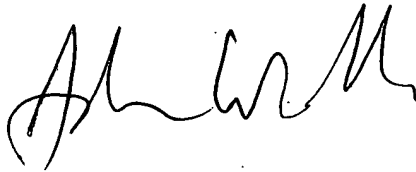
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given pursuant to Section 418(1) of the Companies Act 2006 and should be interpreted in accordance therewith.

Auditor

KPMG LLP was appointed auditor during the period. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

A H Wells
Director



13 September 2016

CENTRAL SQUARE LEEDS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL
STATEMENTS FOR THE 18 MONTH PERIOD TO 31 DECEMBER 2015

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)[, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

**CENTRAL SQUARE LEEDS LIMITED
INDEPENDENT AUDITOR'S REPORT**

We have audited the financial statements of Central Square Leeds Limited for the 18 month period ended 31 December 2015 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 4, 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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

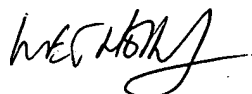
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

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.



Bill Holland (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

13 September 2016

CENTRAL SQUARE LEEDS LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE 18 MONTH PERIOD TO 31 DECEMBER 2015

	Notes	18 month period to 31 December 2015 £	11 month period to 30 June 2014 £
Administrative expenses		(576)	(53)
Operating loss		(576)	(53)
Other interest receivable and similar income		72	371
Interest payable and similar charges		(393,864)	-
(Loss) / profit on ordinary activities before taxation	2	(394,368)	318
Tax on (loss)/profit on ordinary activities	3	80,838	(64)
(Loss) / profit on ordinary activities after taxation		(313,530)	254
(Loss) / profit for the financial year		(313,530)	254
Retained profits at 1 July 2014		254	-
Retained (losses) / profits at 31 December 2015 / 30 June 2014		(313,276)	254

All results shown in the statement of income and retained earnings are derived from continuing operations in the current and prior periods and therefore no separate statement of comprehensive income has been presented.

The notes on pages 8 to 12 form an integral part of these financial statements.

CENTRAL SQUARE LEEDS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	31 December 2015 £	30 June 2014 £
FIXED ASSETS			
Investment property	4	-	8,301,236
CURRENT ASSETS			
Debtors	5	4,849,607	47,406
Cash at bank		432,065	30,570
		<u>5,281,672</u>	<u>77,976</u>
CREDITORS			
Amounts falling due within one year	6	(5,593,948)	(8,177,958)
Net current liabilities		<u>(312,276)</u>	<u>(8,099,982)</u>
Provisions for liabilities and charges	7	-	(200,000)
Net (liabilities) / assets		<u>(312,276)</u>	<u>1,254</u>
CAPITAL			
Share capital	8	1,000	1,000
Profit and loss account		(313,276)	254
Shareholders' funds		<u>(312,276)</u>	<u>1,254</u>

The notes on pages 8 to 12 form an integral part of these financial statements.

Approved by the Board on 13 September 2016 and signed on its behalf by:


A H Wells
Director


S J L Jones
Director

**CENTRAL SQUARE LEEDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD TO 31 DECEMBER 2015**

1. Accounting policies

a) Basis of accounting

The individual financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

This is the first year that the company has presented its results under FRS 102. In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

b) Going concern

The financial statements have been prepared on a going concern basis notwithstanding the Company's net liabilities and current liabilities, which the Directors believe to be appropriate for the following reasons. The Company is dependant for its working capital on funds provided to it by The Prudential Assurance Company Limited, The Company's immediate UK parent undertaking. The Prudential Assurance Company Limited has provided the Company with an undertaking for at least 12 months from the date of approval of these financial statements, it will continue to make such funds available as they are needed by the Company and in particular will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on the other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of the preparation inappropriate.

c) Cash flow statement

The Company is a wholly owned subsidiary of Prudential Plc and, in accordance with paragraph 1.12 of FRS 102, is therefore exempt from the requirement to present a cash flow statement in its financial statements.

d) Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

e) Investment property

The Company's investment properties are initially recorded at cost until the building is completed, then the investment properties are included in the statement of the financial position at their open market value in accordance with FRS 102 and are not depreciated. This treatment is contrary to the Companies Act which states that fixed assets should be depreciated on a systematic basis over their useful economic life. This treatment is in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company. In accordance with Section 17 of FRS 102 the investment property whose fair value cannot be measured reliably without undue cost of effort shall be measured using the cost model or the revaluation model.

CENTRAL SQUARE LEEDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE 18 MONTH PERIOD TO 31 DECEMBER 2015

1. Accounting policies (continued)

f) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date; and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

2. (Loss) / profit on ordinary activities before taxation

The directors did not receive any emoluments in either the current or the previous year and there were no employees in either the current or the previous period. Auditor's remuneration of £7,500 (2014: £0) was borne by the ultimate parent company in the current period.

3. Taxation

(a) Total tax expense recognised in the statement of comprehensive income and equity

	18 month period to 31 December 2015 £	11 month period to 30 June 2014 £
Current tax		
Current tax (credit)/charge on (expense)/income for the period	(80,838)	64
Adjustments in respect of prior periods	-	-
Total current tax	(80,838)	64
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax	(80,838)	64

(b) Reconciliation of effective tax rate

The tax assessed in the year is higher than the standard rate of Corporate Tax in the UK and the differences are explained below.

The standard rate of tax has been determined by using the UK rate of corporation tax enacted for the year for which the profits of the Company will be taxed.

CENTRAL SQUARE LEEDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE 18 MONTH PERIOD TO 31 DECEMBER 2015

3. Taxation (continued)

	18 month period to 31 December 2015 £	11 month period to 30 June 2014 £
(Loss)/Profit on ordinary activities before taxation	(394,368)	318
(Loss)/profit on ordinary activities multiplied by standard rate of UK corporation tax 20.25% (2014: 20%)	(80,838)	64
Effect of:		
Disposal of fixed asset	-	-
Expenses not deductible for tax purposes	-	-
Rate difference on deferred tax	-	-
Current tax (credit)/charge for the period	(80,838)	64

c) Deferred tax

There is no deferred tax recognised or unrecognised at the current or prior year balance sheet date.

d) Factors that may affect future tax charges

From 1 April 2015, the main rate of corporation tax changed from 21% to 20%. Further reductions in the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020 have also been enacted. In March 2016, the UK Government announced an additional reduction in the main rate of corporation tax to 17% from 1 April 2020. This additional reduction has not been reflected in the above figures as the change was not substantively enacted at the balance sheet date.

4. Investment property

	Investment property £
As at 1 July 2014	8,301,236
Additions	1,889,642
Disposals	(10,190,878)
Net book value as at 31 December 2015	-
Net book value as at 30 June 2014	8,301,236

The investment property represents property under construction at Central Square, Leeds, which is recorded at cost of £8,301,236 as at 1 July 2014 and was subsequently disposed of on 31 October 2014. The buildings were still under construction and measured using the cost model at the time of the disposal. The investment property has not been retrospectively revalued since it has been disposed of and to do so would require undue cost and effort.

CENTRAL SQUARE LEEDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE 18 MONTH PERIOD TO 31 DECEMBER 2015

5. Debtors

	31 December 2015 £	30 June 2014 £
Corporation tax group relief	80,838	-
Called up share capital not paid	-	50
Amounts due from related parties (note 10)	4,768,769	-
Other debtors	-	47,356
	<u>4,849,607</u>	<u>47,406</u>

6. Creditors

Amounts falling due within one year:	31 December 2015 £	30 June 2014 £
Other loans	5,593,948	7,019,050
Trade creditors	-	1,158,844
Corporation tax	-	64
	<u>5,593,948</u>	<u>8,177,958</u>

Other loans represent loans payable to former shareholders of the Company and they bear annual interest at 6.5%. The loans are repayable at the date of the Practical Completion, as defined in the Sale and Purchase Agreement (SPA) of the investment property.

7. Provisions for liabilities and charges

	31 December 2015 £	30 June 2014 £
Provisions	-	200,000
	<u>-</u>	<u>200,000</u>

At 30 June 2014 the company owned freehold land in respect of which it had an obligation to set aside a fund to use for right of light compensation payments to affected properties on the development of this land. The freehold land was sold during the current period and the obligation was also transferred to the buyer.

8. Called up share capital

	Allotted and fully paid	
	31 December 2015 Number	30 June 2014 Number
No. of Ordinary shares of £1 each	1,000	1,000
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

9. Immediate and ultimate parent companies

The immediate parent company is The Prudential Assurance Company Limited, registered in England and Wales. The ultimate parent company is Prudential Plc, registered in England and Wales, which is the only parent company which prepares group financial statements, copies of which can be obtained from Laurence Pountney Hill, London EC4R 0HH.

CENTRAL SQUARE LEEDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE 18 MONTH PERIOD TO 31 DECEMBER 2015

10. Related party transactions

On 31 October 2014, the company sold its entire investment property to The Prudential Assurance Company Limited, its immediate parent, at cost of £10,190,878 of which £4,768,769 was still outstanding as at 31 December 2015 and will be paid to the company on the Practical Completion date (as defined in the Agreement for sale and purchase).

11. Post balance sheet events

There were no significant events since the year end which could influence the presentation of the current financial statements.