
**COMMUNITY SOLUTIONS PARTNERSHIP
SERVICES LIMITED**

Company Registration Number 04727097

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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Annual Report and financial statements
For the year ended 31 December 2013

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Company information

Directors	A G Gourlay	
	A J Powell	(appointed 18/11/2013)
	J C Morgan	(appointed 31/12/2013)
	P J Cox	(appointed 18/11/2013)
	S P Crummett	(appointed 09/07/2013)
	A J Livingston	(resigned 30/09/2013)
	D K Mulligan	(resigned 25/02/2013)
	P Whitmore	(resigned 31/12/2013)
Company Secretary	C Sheridan	(appointed 31/05/2014)
	I M Nettleship	(resigned 31/05/2014)
Head Office	10 Fumival Street London United Kingdom EC4A 1AB	
Registered Office	Kent House 14-17 Market Place London United Kingdom W1W 8AJ	
Independent Auditor	Deloitte LLP Chartered Accountants and Statutory Auditor London, United Kingdom	
Bankers	Lloyds Bank Plc 25 Gresham Street London United Kingdom EC2V 7HN	

Directors' report

For the year ended 31 December 2013

The directors present their Annual Report and the audited financial statements for the year ended 31 December 2013.

Principal activity

The principal activity of the Company in the year under review was that of providing outsourced management services, principally in the Public-Private Partnership sector.

The directors have agreed to merge the principal trading activities of Community Solutions Management Services Limited and Community Solutions Partnership Services Limited, both of which are wholly owned subsidiaries of Morgan Sindall Investments Limited. To this end, the company has agreed to acquire the business assets and liabilities of Community Solutions Management Services Limited at par. The company will continue to trade under its current name, with Community Solutions Management Services Limited becoming a holding company for its investments.

The directors have a reasonable expectation that the Company and the Group of which it is part have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the principal of accounting policies in the financial statements.

Employment policies

The Company insists that a policy of equal opportunity employment is demonstrably evident at all times. Selection criteria and procedures and training opportunities are designed to ensure that all individuals are selected, treated and promoted on the basis of their merits, abilities and potential.

Directors

The directors who served during the year are shown on page 1.

Directors' responsibilities statement

The directors are responsible for preparing the Director's 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 judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Directors' report (continued)
For the year ended 31 December 2013

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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor and disclosure of information to the independent auditor

In the case of each of the persons who are directors of the Company at the date when this report was approved:

- So far as each director is aware, there is no relevant audit information (that is, information needed by the Company's auditor in connection with preparing its report) 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 in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed its willingness to be reappointed for another term and appropriate arrangements have been put in place for it to be deemed reappointed as auditor in the absence of an annual general meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board



A J Powell
Director
8th August 2014

Independent auditor's report to the members of Community Solutions Partnership Services Limited

We have audited the financial statements of Community Solutions Partnership Services Limited for the year ended 31 December 2013 which comprise the profit and loss account, the Balance Sheet, the principal accounting policies and the related notes 1 to 14. 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 auditor

As explained more fully in the Directors' responsibilities statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially inconsistent with the knowledge acquired by us during the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 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.

Independent auditor's report to the members of Community Solutions Partnership Services Limited (continued)

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 in preparing a Strategic Report or in preparing the Directors' report.



John Charlton (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

12 August 2014

Profit and loss account
For the year ended 31 December 2013

	Note	2013 £000	2012 £000
Turnover	1	3,671	3,592
Cost of sales		(950)	(941)
Gross profit		2,721	2,651
Administrative expenses		(2,468)	(2,226)
Operating profit	2	253	425
Net interest receivable	3	3	6
Profit on ordinary activities before taxation		256	431
Tax on profit on ordinary activities	4	13	(4)
Profit for the financial year	11 & 12	269	427

All items in the profit and loss account relate to continuing operations.


All gains and losses are recognised in the profit and loss account in both the current year and the preceding year, and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet

As at 31 December 2013

	Note	2013 £000	2012 £000
Current assets			
Debtors - due within one year	6	2,375	1,836
- due after more than one year		-	20
Cash at bank and in hand		738	306
		<u>3,113</u>	<u>2,162</u>
Creditors			
Amounts falling due within one year	7	(1,952)	(1,233)
Net current assets		<u>1,161</u>	<u>929</u>
Total assets less current liabilities		<u>1,161</u>	<u>929</u>
Creditors			
amounts falling due after more than one year	7	(364)	(401)
Net assets		<u><u>797</u></u>	<u><u>528</u></u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	797	528
Shareholders' funds		<u><u>797</u></u>	<u><u>528</u></u>

The financial statements of Community Solutions Partnership Services Limited, company registration number 04727097, were approved by the Board and authorised for issue and were signed on its behalf on 8th August 2014 by:


.....

A Powell, Director

Principal accounting policies
For the year ended 31 December 2013

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. Consolidated financial statements have not been prepared for the Company and its subsidiaries under the exemption granted by Section 398 of the Companies Act 2006. Accordingly, these financial statements present information about the Company and not about its group.

Going concern

The directors have reviewed the performance of the Company during 2013 as set out in these financial statements and, after taking account of possible changes that can reasonably be envisaged in trading performance, have considered the cash flow forecasts and future liquidity requirements of the Company.

Having regard to the above and after making enquiries the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Turnover

Turnover is net of VAT, arises in the United Kingdom and consists of the following:

Amounts receivable from the provision of management services together with amounts receivable on financial closure of LIFT schemes.

Capital works income recognition is based upon project accounting determined by the value of completed work.

Income from sub leasing of pharmacies to third party tenants.

Turnover from the supply of services represents the value of services provided to the extent that there is a right to consideration and is recorded at the value of consideration due.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date. Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Principal accounting policies (continued)
For the year ended 31 December 2013

Pension costs

Pension costs are recognised in the period to which they relate. Any differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Cash flow

The Company has taken advantage of the exemption given under FRS1 (revised) not to produce a cash flow statement as the Company is a 100% owned subsidiary of the ultimate parent undertaking, Morgan Sindall Group plc, who publishes a consolidated cash flow statement.

Notes to the financial statements
For the year ended 31 December 2013

1. Turnover

	2013	2012
	£000	£000
Turnover in the period is analysed as follows:		
Management services and project management	2,709	2,617
Capital works	847	853
Third party income	115	100
Recovery of costs,	-	22
	<u>3,671</u>	<u>3,592</u>

2. Profit on ordinary activities before taxation

	2013	2012
	£000	£000
Profit is stated after charging:		
- Fees payable to the Company's auditor for the audit of the Company's annual financial statements	6	5
- Fees payable to the Company's auditor for the audit of 3 rd party companies' annual financial statements	110	98
- Operating lease rentals for land buildings	832	870

3. Net interest receivable

	2013	2012
	£000	£000
Interest receivable and similar income		
Bank interest receivable	-	3
Other interest receivable	3	3
	<u>3</u>	<u>6</u>

Notes to the financial statements (continued)
For the year ended 31 December 2013

4. Tax on profit on ordinary activities

	2013	2012
	£000	£000
<i>(a) Current Tax</i>		
Group Relief Payment	-	4
Total Current tax (note 4(b))	-	(4)
<i>Deferred Tax</i>		
Origination and reversal of timing differences:		
Current year	3	-
Prior year	10	-
Total deferred tax credit/(charge)	13	-
Total tax credit/(charge)/ on profit on ordinary activities	13	(4)

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

Notes to the financial statements (continued)
For the year ended 31 December 2013

4(b). Factors affecting the tax charge for the year

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 are as follows:

	2013 £000	2012 £000
Profit on ordinary activities before taxation	<u>256</u>	<u>431</u>
Multiplied by the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%) thereon:	(60)	(106)
<i>Effects of:</i>		
Non-deductible expenses	-	-
Short Term timing differences		(1)
Capital allowances in the year in excess of depreciation		2
Utilisation of tax losses	<u>60</u>	<u>101</u>
Total current tax credit/(charge) for the year	<u>-</u>	<u>(4)</u>

A deferred tax asset of £789,737 arising from excess losses (2012: £784,305). The deferred tax asset is not provided for as there is uncertainty over the timing of taxable profits in the future, against which the asset may be utilised.

4(c). Factors affecting future tax rate

The Finance Act 2013, which provides a reduction in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantially enacted on 2 July 2013. These rate reductions have been reflected in calculation of deferred tax at the balance sheet date.

5. Dividend paid on equity share

	2013 £000	2012 £000
The following dividend has been paid during the year:		
Equity shares:		
Interim dividend paid (period ended December 2013 – nil) (2012: £48,636)	<u>-</u>	<u>48</u>

Notes to the financial statements (continued)
For the year ended 31 December 2013

6. Debtors

	2013	2012
	£000	£000
Due within one year		
Trade debtors	121	391
Amounts owed by group undertaking	396	407
Amounts owed by parent undertaking	-	800
Amounts owed from related undertakings	53	-
Deferred Tax Asset (Note 8)	163	150
Other taxation and social security	-	25
Other debtors	2	-
Prepayments and accrued income	480	63
	<u>1,215</u>	<u>1,836</u>
Due after more than one year		
Prepayments and accrued income	-	20
	<u>-</u>	<u>20</u>

7. Creditors

	2013	2012
	£000	£000
Amounts falling due within one year:		
Trade creditors	77	49
Amounts owed to parent undertaking	5	5
Other taxation and social security	262	31
Other creditors	27	7
Accruals and deferred income	380	509
	<u>792</u>	<u>1,233</u>
Amounts falling due after more than one year		
Accruals and deferred income	364	401
	<u>364</u>	<u>401</u>

Notes to the financial statements (continued)
For the year ended 31 December 2013

8. Deferred tax

The deferred tax asset comprises:

	Provided 31 December 2013 £000	Unprovided 31 December 2013 £000	Provided 31 December 2012 £000	Unprovided 31 December 2012 £000
Decelerated capital allowances	-	-	-	-
Short term timing differences	-	-	-	1
Tax losses	163	790	150	783
	163	790	150	784

	2013 £000	2012 £000
Deferred tax asset recognised		
1 January	150	150
Deferred tax credit	13	-
31 December	163	150

A deferred tax asset of £789,738 (2012: £784,305) has not been recognised on the balance sheet as there is insufficient certainty that it will be utilised within the foreseeable future.

Notes to the financial statements (continued)
For the year ended 31 December 2013

9. Capital commitments, contingent liabilities and operating lease commitments

Capital commitments

At 31 December 2013, the Company had no capital commitments (2012: £nil).

Contingent liabilities

There were no known contingent liabilities at 31 December 2013 nor at 31 December 2012, which required disclosure.

Operating lease commitments

At 31 December 2013, the Company was committed to annual commitments for land and buildings under non-cancellable leases, as follows:

	2013 £000	2012 £000
Expiring within 1 year	183	6
Expiring between 2 to 5 years	28	751
Expiring after 5 years	82	95
	<u>293</u>	<u>852</u>

10. Called-up share capital

	2013 £	2012 £
Allotted, called up and fully paid		
1 'A' Ordinary shares of £0.50	0.5	0.5
1 'B' Ordinary share of £0.50	0.5	0.5
	<u>1</u>	<u>1</u>

'A' and 'B' shares constitute different classes of shares but confer the same rights upon the holders thereof and rank pari passu in all respects.

11. Movement in reserves

	Profit and loss account 31 December £000
As at 1 January 2013	528
Profit for the financial year	269
At 31 December 2013	<u>797</u>

Notes to the financial statements (continued)
For the year ended 31 December 2013

12. Reconciliation of movements in shareholders' funds

	2013 £000	2012 £000
Profit for the financial year	269	427
Dividend paid on equity share (note 5)	-	(48)
Net addition to shareholders' funds	<u>269</u>	<u>379</u>
Opening shareholders' funds	<u>528</u>	<u>149</u>
Closing shareholders' funds	<u><u>797</u></u>	<u><u>528</u></u>

13. Contingent liabilities

Performance bonds have been entered into in the normal course of business. Performance bond facilities and banking facilities of the Group are supported by cross guarantees (including bank account offset arrangements) given by the Company and other participating companies in the Group. It is not anticipated that any liability will accrue.

14. Ultimate parent company

Community Solutions Partnership Services Limited is a wholly owned subsidiary of Morgan Sindall Investments Limited (MSIL) who is the company's immediate parent company.

The directors consider that the ultimate parent undertaking and ultimate controlling party of the Company is Morgan Sindall Group plc, which is registered in England and Wales. This is the smallest and largest group in which Community Solutions Management Services Limited is consolidated. Copies of the consolidated financial statements of Morgan Sindall Group plc may be obtained from www.corporate.morgansindall.com.

15. Transactions with related parties

As a 100% subsidiary of MSIL, the Company has taken advantage of the exemption under FRS 8 not to provide information on related party transactions with other wholly owned undertakings within the Morgan Sindall Group Plc. Note 14 gives details of how to obtain a copy of the published financial statements of Morgan Sindall Group Plc.

Notes to the financial statements (continued)
For the year ended 31 December 2013

14. Transactions with related parties (continued)

Name of party	Relationship	Nature of Transaction	Transaction amount 2013 £000	Amount owed (to)/by related party at 31 December 2013 £000	Transaction amount 2012 £000	Amount owed (to)/by related party at 31 December 2012 £000
Hub West Scotland Ltd	Joint Venture for Community Solutions Management Services Ltd	Recharges	24	-	8	-
HB Community Solutions Ltd	Joint Venture for Community Solutions Management Services Ltd	Management Fee	118	-	-	-
HB Community Solutions Living Ltd	Joint Venture for Community Solutions Management Services Ltd	Working Capital Loan	21	-	-	-
HB Villages Ltd	Joint Venture for Community Solutions Management Services Ltd	Advisory & Management Services	23	28	-	-