

Company No: 6192065

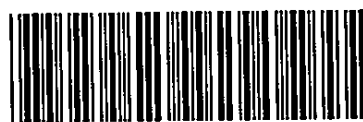


# Swan Commercial Services Limited

Annual Report and Financial Statements

Year ended 31 March 2012

WEDNESDAY



\*A1GULYUA\*

A29

05/09/2012

#213

COMPANIES HOUSE

## Contents of the Annual Report

	<b>Page</b>
Legal and Administrative Details	1
Report of the Directors	2
Independent Auditor's Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6-8

## Legal and Administrative Details

Directors Swan Housing Association Limited

Jamie Smith

Registered office Pilgrim House  
High Street  
Billericay  
Essex CM12 9XY

Bankers Royal Bank of Scotland plc  
29 East Walk  
Basildon  
Essex SS14 1HD

External Auditors Grant Thornton UK LLP  
101 Cambridge Science Park  
Milton Road  
Cambridge CB4 0FY

Internal Auditors BDO Stoy Hayward  
Emerald House East Street  
Epsom  
Surrey KT17 1HS

Solicitors Devonshires  
30 Finsbury Circus  
City of London, London  
EC2M 7DT

Company's Registered Number 06192065

## Report of the Directors

The Directors present the report and the audited financial statements for the year ended 31 March 2012 for the Swan Group

### Activities

The principal activity of the Company is the provision of design and build construction services

### Review of the business and future developments

The Company recorded a loss of £5k for the period ended 31 March 2012 (2011 profit £29k). The principal risk to which the Company is exposed is the failure of, or non-payment by, its customer Swan Housing Association. The Directors do not recommend a dividend for the year (2011 £nil). Gift aid of £1m was paid in the year relating to 2011 profits, and a further £1m has been agreed as payable to Swan Housing Association Limited based on profit during the year.

Directors who acted through the year are disclosed on page 1

### Statement of Director's responsibilities in respect of the accounts

The Directors are responsible for preparing the Annual Report and the Financial Statements. The Directors have chosen to prepare the accounts for the Company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare such Financial Statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company and of the profit or loss of the Company for that period and comply with UK GAAP and the Companies Act 2006. In preparing those Financial Statements, the Directors are required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable accounting standards have been followed,
- (d) 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 which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' report which complies with the requirements of the Companies Act 2006.

### Disclosure of Information to Auditors

Each of the persons who are Directors at the date of approval of this report confirms that

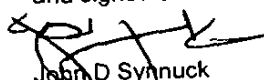
- (1) so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (2) the Directors have taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

### Auditors

A resolution to reappoint Grant Thornton UK LLP as auditors of the Company is to be proposed in accordance with Section 485 of the Companies Act 2006.

Approved by the Directors  
and signed on their behalf



John D Synnuck  
For and on behalf of Swan Housing Association Limited

Date 14 August 2012

## **Independent Auditors' Report to the members of Swan Commercial Services Limited**

We have audited the financial statements of Swan Commercial Services Limited for the year ended 31 March 2012 which comprise the profit and loss account, 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 Directors' Responsibilities Statement 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. 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 March 2012 and of its loss 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.

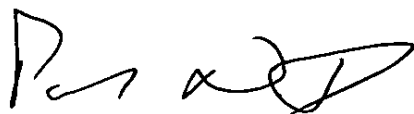
### **Opinion on other matter prescribed by the Companies Act 2006**

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.

### **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.



Paul Naylor  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Cambridge

[ ]

14 August 2012

## Profit and Loss Account

	Note	2012 £ '000	2011 £ '000
Turnover		54,503	62,915
Cost of sales		(53,499)	(61,780)
<b>Operating profit</b>		<u>1,004</u>	<u>1,135</u>
Gift Aid		(1,009)	(1,087)
(Loss)/profit on ordinary activities for the period	4	<u>(5)</u>	<u>48</u>
Tax on (loss)/profit on ordinary activities	5	-	(19)
Net (loss)/profit for the period		<u><u>(5)</u></u>	<u><u>29</u></u>

All of the Company's operations are classified as continuing. There were no gains or losses in either period other than those included in the profit and loss account above, accordingly a Statement of Total Recognised Gains and Losses has not been prepared.

The notes on pages 6 to 8 form part of these accounts.

## Balance Sheet

	Notes	2012 £ '000	2011 £ '000
<b>Current assets</b>			
Work in progress	6	2,447	362
Debtors	7	10,070	6,954
		<u>12,517</u>	<u>7,316</u>
<b>Creditors</b> amounts falling due within one year	8	(12,493)	(7,287)
<b>Net current assets</b>		<u>24</u>	<u>29</u>
<b>Capital and reserves</b>			
Share capital		-	-
Profit & loss account	10	24	29
		<u>24</u>	<u>29</u>

The notes on pages 6 to 8 form part of these accounts

The accounts were approved by the Directors on *14 August 2012*  
and were signed on their behalf by



John D Synnuck  
For and on behalf of Swan Housing Association Limited  
Company number 6192065

## Notes to the Financial Statements

### 1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards  
The accounting policies adopted are described below

#### Basis of accounting

The accounts have been prepared under the historical cost convention

The company's working capital is provided by the parent entity, Swan Housing Association

The directors prepare financial budgets on an annual basis and monitor predicted financial performance and cash flow on a monthly basis

The company's forecasts and projections, taking into account the projected trading performance of the group, show that the group and hence the company will be able to operate within the level of its current facility

The directors have a reasonable expectation that the company has adequate resources for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

#### Turnover

Turnover from the provision of services is recognised when the risks and rewards of the provision of services have been transferred to the customer

#### Taxation

The charge for taxation is based on the surplus for the year and includes deferred taxation. Deferred tax is provided for on a full provision basis on all 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. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

#### Cash Flow Statement

The Company is not required to prepare a cash flow statement under the exemptions provided in Financial Reporting Standard No 1 due to it being a wholly owned subsidiary of a company which prepares a group cash flow statement

#### Work in progress

Work in progress relates to the costs of ongoing design and build works and is stated at lower of cost and net realisable value. Turnover is recognised once exchange of contracts on the underlying transaction is unconditional

### 2. Turnover

Turnover represents design and build and other construction services provided to customers in the UK and is exclusive of VAT

### 3. Remuneration of officers and staff

The Directors did not receive any emoluments in the current year. All the Senior Executives are employed by Swan Housing Association Limited and their remuneration is disclosed in Swan Housing Association's Financial Statements. All non-executive staff are employed by Swan Housing Association



Limited The cost of the provision of staff time is recovered through a management charge from Swan Housing Association Limited

#### 4. (Loss)/profit on ordinary activities before taxation

	2012 £'000	2011 £'000
(Loss)/profit on ordinary activities before taxation is stated after charging		
Group management charge from Swan Housing Association Limited	100	100
Fees charged for the audit were included and incurred in the audit fee of the ultimate parent undertaking and recharged as part of the management charge		

## Notes to the Financial Statements

### 5. Taxation on (loss)/profit on ordinary activities

	2012 £'000	2011 £'000
<b>Tax charge on (/loss)/profit on ordinary activities</b>		
Current tax arising from current year movements	-	-
Adjustment in respect of prior year	-	19
<b>Tax (credit)/charge on (loss)/profit on ordinary activities</b>	<u>-</u>	<u>19</u>
<b>Tax reconciliation</b>		
(Loss)/profit on ordinary activities before tax	<u>(5)</u>	<u>48</u>
(Loss)/profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 26 % (2011 28%)	(1)	13
Adjustment in respect of prior year	-	19
Deferred tax not provided	1	(13)
<b>Total current tax charge</b>	<u>-</u>	<u>19</u>
There is no unrecognised deferred taxation at the balance sheet date		

### 6. Work in progress

	2012 £'000	2011 £'000
Work in progress	<u>2,447</u>	<u>362</u>

### 7. Debtors

	2012 £'000	2011 £'000
Other taxation and social security	68	-
Other	162	-
Owed to group companies	9,840	221
Corporation tax	-	-
Amounts owed by group undertakings	-	6,733
	<u>10,070</u>	<u>6,954</u>

### 8. Creditors

	2012 £'000	2011 £'000
Bank overdraft	-	1,089
Trade creditors	3,062	3,039
Accruals	109	-
Other creditors	2,589	2,338
Amounts owed to group undertakings	6,733	821
	<u>12,493</u>	<u>7,287</u>

## Notes to the Financial Statements

### 9. Share capital

	2012 £	2011 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<b>Called up, allotted and fully paid</b>		
1 ordinary share of £1	1	1
	<hr/>	<hr/>

### 10. Reserves

	<b>Profit &amp; Loss Account</b>	
	2012 £'000	2011 £'000
As at 1 April	29	-
(Loss)/profit for year	(5)	29
	<hr/>	<hr/>
As at 31 March	24	29
	<hr/>	<hr/>

### 11. Ultimate parent undertaking

Swan Commercial Services Limited is a wholly owned subsidiary of Swan Housing Association Limited. Swan Commercial Services Limited regards Swan Housing Association Limited, a Registered Provider and an Industrial and Provident Society registered in England, as its ultimate parent undertaking. Swan Housing Association Limited is also the largest and smallest group which includes the Company and for which group accounts were prepared. Financial statements for the ultimate parent undertaking can be obtained from its registered office at Pilgrim House, High Street, Billericay, Essex, CM12 9XY.

### 12. Related party transactions

The Company is entitled to the exemption allowed by FRS8 in relation to the disclosure of transactions with other companies in the Group as its results are consolidated in the accounts of Swan Housing Association Limited.