

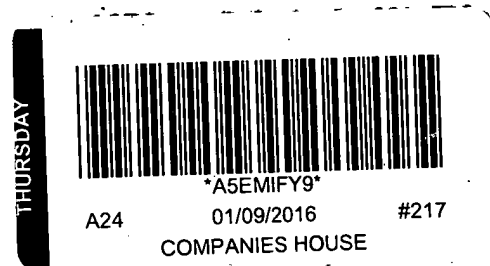
Company No: 6192065



Swan Commercial Services Limited

Annual Report and Financial Statements

Year ended 31 March 2016



Contents of the Annual Report

	Page
Legal and Administrative Details	1
Strategic Report	2
Report of the Directors	3
Independent Auditors' Report	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	5
Statement of Financial Position	6
Notes to the Financial Statements	7

Legal and Administrative Details

Directors	Jamie Smith John Synnuck Valerie Owen Derek Morrison Parmjit Dhanda Peter Baynham Sheila Lewis Marie Li Mow Ching Alan Palmer Sukhvinder Kaur-Stubbs	resigned 30 th April 2015 appointed 8 May 2015
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	RSM UK Group LLP Cedar House Woodland Business Park Milton Keynes MK14 6EX	
Solicitors	Devonshires Solicitors LLP Salisbury House Finsbury Square London EC2M 7DT	
Registered Number	6192065	

Strategic Report for the year ending 31 March 2016

Principal Activities

Swan Commercial Services Limited carries out the provision of design and build construction services within Essex and London.

Review of the Business for the year and future developments

During the year construction activities were carried out at the Beechwood Village, Bow, Oldchurch, Blackwall Reach and Repton sites. Other opportunities are being pursued.

The impact of the United Kingdom's decision to leave the European Union in June 2016 is being monitored.

Results

The Company has delivered a profit before gift aid but including overhead costs of £317k (2015: £795k) on a turnover of £23,825k (2015: £48,240k). Gift aid of £299k (2015: £795k) has been provided in these accounts.

Going Concern

It is the view of the Directors that the Company has the resources to continue trading, based upon its profitable trading and continued group support.

Key Performance Indicators

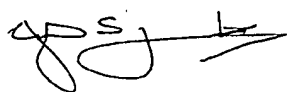
The Directors measure performance against plan through regular reporting of financial and non-financial metrics. The key performance indicators are as follows:

KPI	2015/16	2014/15
Turnover	£23.8m	£48.2m
Operating Profit	£0.3m	£0.8m
Gift Aid	£(0.3)m	£(0.8)m

Risk Management

Swan Commercial Services has developed a comprehensive risk register. This covers health and safety, corporate, operational and financial risks. It is reviewed and updated on a regular basis by the Directors and senior managers of Swan Commercial Services. The principal risks affecting the Company are general economic slowdown leading to drop in property sales, inability to find suitable land for development, recruiting and retaining key personnel and employment of contractors for the development of sites. These and many other risks are included in the risk register.

Approved by the Directors
and signed on their behalf by:



John D Synnuck
19 July 2016

Directors' report for the year ending 31 March 2016

The Directors submit their annual report and audited financial statements of Swan Commercial Services Limited (the Company), registered number 6192065, for the year ended 31 March 2016.

Directors

A list of the Company's Directors at the year end and during the year can be found on the Legal and Administrative details page of this Annual Report and Financial Statements.

Directors' Responsibilities Statement

The Directors are responsible for preparing 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 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

Disclosure of information

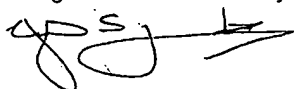
Each of the persons who are a Director at the date of the approval of this report confirms that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware. Each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's 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.

Independent auditors

The auditors, Grant Thornton LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed in accordance with Section 485 Companies Act 2006.

Approved by the Directors
and signed on their behalf by:



John D Synnuck
19 July 2016

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 2016 which comprise, the statement of comprehensive income, the statement of changes in equity, the statement of financial position 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), 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, 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 March 2016 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.

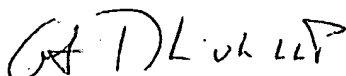
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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
Date: 9 August 2016

Statement of Comprehensive Income

	Note	2016 £ '000	2015 £ '000
Turnover		23,825	48,240
Cost of sales		(23,508)	(47,445)
Operating profit		<u>317</u>	<u>795</u>
Gift aid		(299)	(795)
Profit on ordinary activities for the period	4	<u>18</u>	<u>-</u>
Tax on profit on ordinary activities	5	-	-
Net profit for the period		<u>18</u>	<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 Statement of Comprehensive Income above.

The notes on pages 7 to 10 form part of these accounts.

Statement of Changes in Equity

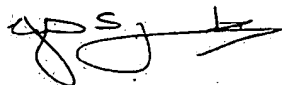
	Income and expenditure reserve £ '000	Total £ '000
Balance as at 1 April 2014	24	24
Total comprehensive income for the year	-	-
Balance as at 31 March 2015	<u>24</u>	<u>24</u>
Total comprehensive income for the year	18	18
Balance as at 31 March 2016	<u>42</u>	<u>42</u>

Statement of Financial Position

	Note	2016 £ '000	2015 £ '000
Current Assets			
Stock and Work In Progress	6	5,848	-
Debtors	7	6,296	7,592
Cash at bank and in hand		26	-
		<u>12,170</u>	<u>7,592</u>
Current liabilities			
Creditors: amounts falling due within one year	8	(12,128)	(7,568)
Net current assets		<u>42</u>	<u>24</u>
Capital and reserves			
Share capital	9	-	-
Profit & loss account	10	42	24
		<u>42</u>	<u>24</u>

The notes on pages 7 to 10 form part of these accounts.

The accounts were approved by the Directors on 19 July 2016 and were signed on their behalf by:



John D Synnuck
Company number: 6192065

Notes to the Financial Statements

1. Accounting policies

Basis of accounting

The financial statements are prepared on the going concern basis under the historical cost convention (unless otherwise stated) and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including FRS 102. This is the first year in which the financial statements have been prepared under FRS 102. There were no restated balances from prior years. The accounting policies have been consistently applied throughout the year and are set out below.

Going Concern

The Directors consider that the Company has sufficient resources to continue trading for the foreseeable future and it is their intention that the Company should do so, therefore the accounts have been prepared on a going concern basis.

Turnover

Turnover comprises the value of design and build and other construction services provided during the year. For fixed price contracts turnover is recognised based upon an internal assessment of the value of works carried out. This assessment is arrived at after due consideration of the performance against the programme of works, measured works, detailed evaluation of the costs incurred and comparison to external certification of the work performed. Provision for claims against the Company is made as soon as it is probable that a liability will arise, but claims and variations made by the Company are not recognised in the profit and loss account until the outcome is virtually certain. Provision will be made against any potential loss as soon as it is identified.

Amounts recoverable on contracts are stated at cost plus attributable profit less any foreseeable losses and payments on account and are included in debtors and creditors respectively.

Turnover is stated exclusive of VAT.

Expenditure

Net operating expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Expenditure in inventory is expensed through cost of sale in the Statement of Comprehensive Income on an accruals basis in line with the invoicing of turnover for services provided.

Taxation

Current tax is recognised for the amount of corporation tax payable in respect of the taxable surplus for the current or past reporting periods using the rates and laws that have been enacted or substantially enacted at the reporting date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

Deferred tax is calculated using the rates and laws enacted or substantively enacted at the reporting date that are expected to apply to the reversal of the timing difference. Deferred tax liabilities are presented in provisions for liabilities and deferred tax assets in debtors. Such assets and liabilities are only offset where the company has a legal right of set off.

VAT

The Company is registered for VAT and its expenditure on taxable activities is shown exclusive of VAT.

Stock and Work in progress

Work in progress relates to the costs of ongoing design and build works and is stated at the lower of cost and net realisable value. Net realisable value is assessed by considering the expected total costs to complete.

Trade receivables

Trade receivables which do not carry any interest are stated at their fair value amount and included in current assets where maturity is less than 12 months.

Trade payables

Trade payables on normal terms are not interest bearing and are stated at their fair value.

Provisions

A provision is recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, that can be accurately measured, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Cash flow statement

The Company is a wholly owned subsidiary company of a group headed by Swan Housing Association Limited, and its results are included in the consolidated financial statements of that company, which are publically available. Consequently, the Company has taken advantage of the exemption provided in Financial Reporting Standard 102 for preparing a cash flow statement.

Financial instruments

The Company is a wholly owned subsidiary company of a group headed by Swan Housing Association Limited, and is included in the consolidated financial statements of that company, which are publically available. Consequently, the Company has taken advantage of the exemption provided in Financial Reporting Standard 102 not to present financial instruments disclosures.

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 remuneration in the current or prior year for their services to the Company. The Company benefits from services provided by other group companies and consequently employs no staff itself.

4. Profit on ordinary activities before taxation

	2016 £'000	2015 £'000
Profit on ordinary activities before taxation is stated after charging:		
Group service charge from Swan Housing Association Limited	150	150

Fees charged for the audit were included and incurred in the audit fee of the ultimate parent undertaking and recharged as part of the service charge.

Notes to the Financial Statements (cont)

5. Taxation on profit on ordinary activities

	2016 £'000	2015 £'000
Tax charge on profit on ordinary activities		
Current tax arising from current year movements	-	-
Adjustment in respect of prior year	-	-
Tax charge on profit on ordinary activities	<u>-</u>	<u>-</u>
Tax reconciliation		
Profit on ordinary activities before tax	18	-
	<u>18</u>	<u>-</u>
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 20% (2015: 21%)	4	-
	<u>4</u>	<u>-</u>
Losses surrendered as group relief	(4)	-
	<u>(4)</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>
There is no unrecognised deferred taxation at the balance sheet date.		

6. Stock and Work In Progress

	2016 £'000	2015 £'000
Properties under construction	5,848	-
	<u>5,848</u>	<u>-</u>

7. Debtors

	2016 £'000	2015 £'000
Trade debtors	180	7
Other	355	446
Amounts owed by group undertakings	5,761	7,139
	<u>6,296</u>	<u>7,592</u>

Notes to the Financial Statements (cont)

8. Creditors

	2016 £'000	2015 £'000
Bank overdraft	-	6
Trade creditors	1,608	1,678
Accruals/Deferred Income	7,186	3,523
Other creditors	1,627	2,245
Amounts owed to group undertakings	1,707	116
	<u>12,128</u>	<u>7,568</u>

9. Share capital

	2016 £	2015 £
Called up, allotted and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

10. 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 Society and a Co-operative and Community Benefit 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.

11. Related party transactions

The Company is entitled to the exemption allowed by Financial Reporting Standard 102 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.