

AVENUE SERVICES (NW) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2013

Company Number: 08002607

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Avenue Services (NW) Limited

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Avenue Services (NW) Limited

Directors and Advisors

Directors

Hugh Evans (Chair)
Raymond Shaw (Vice-Chair)
Gordon Cairns
Brendan Doyle
Reginald Jones
Judith Stainthorp

Company Secretary

Craig Moule

Bankers

Lloyds TSB Bank plc
25 Gresham Street
London
EC2V 7HN

Legal Advisors

Wragge & Co LLP
55 Colmore Row
Birmingham
B3 2AS

Independent Statutory Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Internal Auditors

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Registered Office

Sanctuary House
Chamber Court
Castle Street
Worcester
WR1 3ZQ

Registration Number

Company Number 08002607

Avenue Services (NW) Limited

Report of the Directors for the Period Ended 31 March 2013

The Board submit their Annual Report and the audited financial statements for the period ended 31 March 2013

Principal activities

Avenue Services (NW) Limited (the 'Company') was registered on 22 March 2012 under the Companies Act 2006 number 08002607, with the purpose of providing a wide range of services and social facilities to the residents of Blacon and the wider borough of Cheshire West and Chester

The Company has two members, namely Chester & District Housing Trust Limited (the 'Trust') and Cheshire West and Chester Borough Council (the 'Council') Both members have equal board representation rights

Review of business and future developments

In April 2012 the Company took over the operation from the Council of several key services to the Blacon area of Chester These services included neighbourhood management, an adventure playground, a cemetery and caretaking and cleaning to a number of public areas The company also took over the operation of a number of services to Blacon and the wider housing Trust stock including caretaking, cleaning and grounds maintenance

Within the next year, the Company is expected to receive property assets which are situated in the Blacon area as well as expanding the operations of the business with further service transfers from both the Council and the Trust

The vision for the Company is

- to combine and harness local assets to generate income, and to support local residents to be actively engaged in the management of the company and the design and delivery of services, and
- strive to become the leading social enterprise within the West Cheshire region working with partners and the Blacon community to provide a cost effective, integrated service offer

Results

The results of the Company for the period ended 31 March 2013 are set out on page 7

Key performance indicators

The Company has a suite of specific key performance indicators for each area of service delivery These are monitored by both the management team and the Board

Principal Risks

The company operates a risk mapping process as part of its annual business planning cycle This process identifies a number of external factors which affect the Company The Board review and approve the risk map

The principal risks for the Company covered by the risk map considered by the Board during 2012/13 are

- Delivering the outputs required for the service specifications,
- Customer satisfaction and engagement with the community of Blacon,
- Preparing for the transfer of assets and further service transfers, and
- Demonstrating value for money and value added within Blacon

Avenue Services (NW) Limited

Report of the Directors for the Period Ended 31 March 2013 continued

Directors and their interests

The Board of Directors includes two community members to ensure that the needs of the community are met by the Company

Directors who have served during the period and to the date of the financial statements being approved were

Hugh Evans	(appointed 22/03/2012)
Raymond Shaw	(appointed 22/03/2012)
Gordon Cairns	(appointed 22/03/2012)
Brendan Doyle	(appointed 22/03/2012)
Reginald Jones	(appointed 22/03/2012)
Judith Stainthorp	(appointed 22/03/2012)
Eleanor Johnson	(appointed 22/03/2012 / resigned 31/05/2013)
Neil Sullivan	(appointed 22/07/2013 / resigned 18/10/2013)

Company Secretary

Craig Moule	(appointed 29/05/2013)
Su Bramley	(resigned 29/05/2013)

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report of the Directors 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 prepared 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 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

In the case of each Director in office at the date the Report of the Directors is approved

(a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

(b) he 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

Avenue Services (NW) Limited

Report of the Directors for the Period Ended 31 March 2013 continued

Independent Auditors

PricewaterhouseCoopers LLP were appointed during the period, and have indicated their willingness to continue in office. A resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'Craig Moule', is written over a horizontal line. The signature is stylized and somewhat cursive.

Craig Moule
Company Secretary
24 October 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVENUE SERVICES (NW) LIMITED

We have audited the financial statements (the 'financial statements') of Avenue Service (NW) Limited for the period ended 31 March 2013 which comprise of the Profit and Loss Account, the 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)

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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. 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 March 2013 and of its profit for the period 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 Report of the Directors' for the financial period 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



Andrew Hammond (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

Date 31 October 2013

Avenue Services (NW) Limited

Profit and Loss Account for the Period Ended 31 March 2013

	Notes	22 March 2012 to 31 March 2013 £
Turnover		1,840,667
Cost of sales		(1,470,950)
Gross profit		<u>369,717</u>
Operating expenses		(202,515)
Profit on ordinary activities before tax	2	<u>167,202</u>
Tax on profit on ordinary activities	4	(33,440)
Profit for the financial period	8	<u>133,762</u>

There are no differences between the profit on ordinary activities before tax and the profit for the period stated above and its historical cost equivalents

The results relate wholly to continuing activities

There are no recognised gains and losses other than those included in the Profit and Loss Account above and therefore no separate Statement of Total Recognised Gains and Losses has been presented

The notes on pages 9 to 11 form part of these financial statements

Avenue Services (NW) Limited

Balance Sheet as at 31 March 2013

	Notes	2013 £
Current assets		
Debtors	5	163,828
Cash at bank and in hand		<u>236,171</u>
		399,999
Creditors: amounts falling due within 1 year	6	<u>(266,237)</u>
Net current assets		133,762
Net assets		<u>133,762</u>
Capital and reserves		
Profit and loss account	8	133,762
Total members funds		<u>133,762</u>

The financial statements on pages 7 and 8 were approved and authorised by the Board on 24 October 2013 and signed on its behalf by



Hugh Evans
Chair

The notes on pages 9 to 11 form part of these financial statements

Notes to the Financial Statements for the Period Ended 31 March 2013

1. Principal Accounting Policies

The Company's financial statements have been prepared in accordance with applicable Financial Reporting Standards in the United Kingdom and the Companies Act 2006. The principal accounting policies are set out below.

Basis of accounting

The financial statements have been prepared on the historical cost and going concern basis of accounting. The principal accounting policies have been applied consistently throughout the period.

Cash flow statement

Under the Companies Act 2006, the Company qualifies as a small company and as such is entitled to certain exemptions regarding financial statement disclosure. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996) "Cash Flow Statements".

Turnover

Turnover represents services completed and the provision of facilities for the council, Trust and the population of Blacon. Turnover is recognised as it falls due net of any applicable VAT.

Value Added Tax (VAT)

The Company charges value added tax (VAT) on its income and is able to recover the VAT it incurs on expenditure. The balance of VAT payable at the reporting date is included within current liabilities.

Going concern

The Company is viewed as a going concern by the Directors as it has adequate resources to continue in operational existence for the foreseeable future.

Corporation tax

The tax expense for the period comprises current tax. Tax is recognised in the financial statements, except to the extent that it relates to items recognised directly in equity. In this case the tax is recognised in equity.

Community funding received

Any funding received by the Company which is restricted in its application is accounted for under SSAP 4 – 'Accounting for government grants'. The funding is matched against any applicable expenditure as it is incurred within the Profit and Loss Account.

2. Profit on ordinary activities before tax

	2013
	£
Profit on ordinary activities before tax is stated after charging	
Auditors' remuneration	
- In their capacity as external auditors	7,500
- In respect of other services	-
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Avenue Services (NW) Limited

Notes to the Financial Statements for the Period Ended 31 March 2013 continued

3. Employee information

There were no employees of the Company in the period. Employees were managed by the Trust and the relevant costs recharged to the Company. These costs include any social security and pension costs incurred for the staff used by the Company.

The Directors (including the Chair and Vice-Chair) received compensation during the period for attending board meetings and completing other business related activities. The total paid by the Company in the period was £8,125.

4. Tax on profit on ordinary activities

(a) Analysis of tax charge for the period

	2013 £
Current tax	
UK corporation tax on profit for the period	33,440
	<u>33,440</u>

The tax charge for the period is the same as the small company rate of corporation tax in the UK.

(b) Factors affecting the tax charge for the period

	2013 £
Profit on ordinary activities before tax	167,202
Profit on ordinary activities multiplied by small company rate of corporation tax in the UK of 20%	33,440
Current tax charge for the period	<u>33,440</u>

5. Debtors

	2013 £
Trade debtors	162,857
Prepayments	971
	<u>163,828</u>

6. Creditors: amounts falling due within one year

	2013 £
Trade creditors	33,870
Accruals and deferred income	124,678
Corporation tax	33,440
Other taxation and social security	54,089
Other creditors	20,160
	<u>266,237</u>

Avenue Services (NW) Limited

Notes to the Financial Statements for the Period Ended 31 March 2013 continued

7. Share capital

The Company is limited by guarantee and has no share capital. The members of the Company guarantee to contribute £1 in the event of winding up.

8. Reserves

	Total £
Profit for the period	133,762
At 31 March 2013	<u>133,762</u>

9. Related party transactions

During the period, the Company invoiced the Trust a total of £953,854 and the Council £812,280 for services provided to the local community. At the period end, the Council owed the Company £161,295 which is included within Trade Debtors.

At the balance sheet date, the Company owed £33,870 to the Trust which is included within Trade Creditors. Total costs of £1,424,648 were recharged by the Trust to the Company in the period, which included £1,210,036 of staff and contractor costs. Net cash settlements in the period between the Trust and the Company totalled £436,924.

The Company paid a total of £13,968 to the Council in the period, related to the rent and rates of the office used by the Company to carry out its operations.

10. Ultimate controlling party

The Company has two members, the Trust and the Council. Both parties are allowed per the Members Agreement to each nominate up to three Directors on the Board of the Company.

Therefore, the Company is deemed to be jointly owned and controlled by both the Trust and the Council and has no ultimate controlling party.