

**AVENUE SERVICES (NW) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2015**

**Company Number: 08002607**

WEDNESDAY



\*A4JY814I\*

A19

11/11/2015

#399

COMPANIES HOUSE

**Avenue Services (NW) Limited**

---

<b>Contents</b>	<b>Page</b>
Directors and advisors	2
Report of the Directors	3
Independent Auditor's Report to the Members of Avenue Services (NW) Limited	6
Profit and Loss Account	8
Balance Sheet	9
Notes to the financial statements	10

**Avenue Services (NW) Limited**

---

**Directors and advisors**

**Directors**

Hugh Evans  
Raymond Shaw  
Brendan Doyle  
Reginald Jones  
Judith Stainthorp  
Anthony King  
Carol Gahan  
Keith Board

**Company Secretary**

Sophie Atkinson

**Bankers**

Barclays Bank plc  
Barclays Corporate  
Social Housing Team  
Level 27  
1 Churchill Place  
London  
E14 5HP

**Legal advisors**

Wragge Lawrence Graham & Co LLP  
2 Snow Hill  
Birmingham  
B4 6WR

**Independent auditor**

KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

**Internal auditor**

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

**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 year ended 31 March 2015**

The Board of Directors (the Board) submit their Annual Report and the audited financial statements for the year ended 31 March 2015.

**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's ultimate parent undertaking is Sanctuary Housing Association and the Company forms part of the Sanctuary Group of entities (the Group).

**Going Concern**

The Directors confirm that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in its financial statements.

**Review of business and future developments**

The Company was originally established with two members, namely Chester & District Housing Trust Limited (the Trust) and Cheshire West and Chester Council (the Council).

On the 31 March 2015 Sanctuary Housing Association (the Association) replaced the Trust as a member following a transfer of engagement of the Trust to the Association.

During the year negotiations have continued between the Company and the Council regarding potential Council asset transfers into the Company. Such transfers are expected to occur during 2015/2016. The asset transfers and a service level agreement will enable the Company to achieve its long term aims of:

- combining and harnessing local assets to generate future income streams to support services designed to meet the needs of local residents; and
- strive to become a leading social enterprise within the West Cheshire region working with partners to provide a cost effective, integrated service.

**Results**

The results of the Company for the year ended 31 March 2015 are set out on page 8.

**Key performance indicators**

The Company is part of the Group and is therefore subject to Group financial management and monitoring of performance.

**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 reviews and approves the risk map.

The principal risks for the Company covered by the risk map considered by the Board during 2014/2015 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 services within Blacon

---

**Report of the Directors for the year ended 31 March 2015 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 year and to the date of the financial statements being approved were:

Hugh Evans	(Chair)
Raymond Shaw	(Vice Chair, community member)
Gordon Cairns	(resigned 16/10/14)
Brendan Doyle	(Community member)
Reginald Jones	
Judith Stainthorp	
Lynda Jones	(appointed 16/10/14, resigned 11/06/15)
Anthony King	(appointed 16/10/14)
David Soothill	(appointed 16/10/14, resigned 21/08/15)
Adrian Walmsley	(appointed 16/10/14, resigned 11/06/15)
Carol Gahan	(appointed 08/07/15)
Keith Board	(appointed 11/06/15)

**Company Secretary**

Sophie Atkinson

---

**Report of the Directors for the year ended 31 March 2015 continued**

**Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements**

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/she has taken all the steps that he 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.

**Independent Auditors**

KPMG LLP was appointed as auditor on 28 November 2014, and has indicated its willingness to continue in office. A resolution concerning the appointment of the auditor will be proposed at the Annual General Meeting.

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

By order of the Board.



Hugh Evans  
Chairman  
17 September 2015

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVENUE SERVICES (NW) LIMITED**

We have audited the financial statements of Avenue Services (NW) Limited for the year ended 31 March 2015 set out on pages 8 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 5 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](http://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 2015 and of its profit 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 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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVENUE SERVICES (NW) LIMITED  
CONTINUED**

**Matters on which we are required to report by exception continued**

- 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 from the requirement to prepare a strategic report.



**Darren Turner (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH. 17 September 2015



**Profit and Loss Account for the year ended 31 March 2015**

	Notes	2015 £'000	2014 £'000
<b>Turnover</b>	1	2,086	1,861
Cost of sales	1	(1,696)	(1,538)
<b>Gross profit</b>		<u>390</u>	<u>323</u>
Operating expenses	1	(225)	(204)
<b>Profit on ordinary activities before taxation</b>	2	<u>165</u>	<u>119</u>
Tax on profit on ordinary activities	5	(35)	(61)
<b>Profit for the financial year</b>	10	<u><u>130</u></u>	<u><u>58</u></u>

The profit for the current and prior years relates wholly to continuing activities.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

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 10 to 13 form part of these financial statements.

## Balance Sheet as at 31 March 2015

	Notes	2015 £'000	2014 £'000
<b>Current assets</b>			
Debtors	6	801	323
Cash at bank and in hand		87	103
		<u>888</u>	<u>426</u>
<b>Creditors: amounts falling due within one year</b>	7	(565)	(233)
		<u>323</u>	<u>193</u>
<b>Net current assets</b>			
		<u>323</u>	<u>193</u>
<b>Net assets</b>		<u><u>323</u></u>	<u><u>193</u></u>
<b>Capital and reserves</b>			
Profit and loss account	10	323	193
<b>Total shareholders' funds</b>		<u><u>323</u></u>	<u><u>193</u></u>

The financial statements were approved and authorised by the Board of Directors on 17 September 2015 and signed on its behalf by:

  
 Hugh Evans  
 Chairman

The notes on pages 10 to 13 form part of these financial statements.

**Notes to the Financial Statements for the year ended 31 March 2015**

**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. There have been no changes to the principal accounting policies during the year and they have been applied consistently.

**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 income received for services completed and the provision of facilities for the Council, Association and the residents of Blacon. Turnover is shown net of any applicable VAT and is recognised as it falls due, either daily, weekly or monthly. Where charges are billed in advance these are recorded as deferred income.

**Costs**

Costs directly relating to the provision of services are shown as cost of sales whilst general overheads are shown as operating expenses.

**Value Added Tax (VAT)**

The majority of the Company's turnover is exempt from VAT; however certain activities are subject to VAT and give rise to a small amount of VAT recovery. Where appropriate costs are stated including irrecoverable VAT.

**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. Accordingly the company continues to adopt the going concern basis in its financial statements.

**Corporation tax**

Where applicable the tax expense for the year comprises current tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised directly in equity. In this case the tax is recognised in equity.

**Operating leases**

Annual rentals in respect of operating leases are charges to the Profit and Loss Account over the period of the lease.

**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.

Notes to the Financial Statements for the year ended 31 March 2015 continued

2. Profit on ordinary activities before taxation

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation is stated after charging:		
Operating lease rentals – land and buildings	6	6
Operating lease rentals – vehicles	32	-
Auditors' remuneration for audit services	3	3
	<u>3</u>	<u>3</u>

3. Directors' emoluments

The Directors (including the Chair and Vice Chair) received compensation for attending Board meetings and completing other business related activities as follows:

	2015 £'000	2014 £'000
Emoluments	<u>9</u>	<u>9</u>

4. Employee information

There were no employees of the Company in the year. Employees of the Trust performed services on behalf of the Company and the relevant costs were recharged to the Company. These costs include any social security and pension costs incurred for the staff used by the Company.

5. Tax on profit on ordinary activities

(a) Analysis of tax charge for the year

	2015 £'000	2014 £'000
Current tax:		
UK corporation tax on profits of the year	35	54
Adjustments in respect of prior year	-	7
	<u>35</u>	<u>61</u>

b) Factors affecting the tax charge in the year

The current tax charge for the year is the same as (2014: higher than) the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	<u>165</u>	<u>119</u>
Profit on ordinary activities multiplied by main company rate of corporation tax in the UK of 21% (2014: 23%)	35	27
Expenditure not tax deductible	-	27
Adjustments in respect of prior period	-	7
<b>Current tax charge for the year/period</b>	<u>35</u>	<u>61</u>

(c) Factors affecting future tax charge

As a result of changes that were substantively enacted on 2 July 2013, the main rate of corporation tax in the UK is 21% from 1 April 2014 and reduces to 20% from 1 April 2015. This will reduce the Company's future current tax charge accordingly.

**Avenue Services (NW) Limited**

**Notes to the Financial Statements for the year ended 31 March 2015 continued**

**6. Debtors**

	2015 £'000	2014 £'000
Trade debtors	801	2
Amounts owed by fellow group undertakings	-	321
	<u>801</u>	<u>323</u>

Trade debtors include a provision for bad and doubtful debts to the sum of £171,476 (2014: £115,672).

Amounts owed by fellow group undertakings are trading in nature and do not bear interest.

**7. Creditors: amounts falling due within one year**

	2015 £'000	2014 £'000
Trade creditors	18	8
Amounts owed to parent undertaking	83	-
Amounts owed to fellow subsidiaries	3	-
Corporation tax	35	54
Other taxation and social security	164	-
Other creditors	1	63
Accruals and deferred income	261	108
	<u>565</u>	<u>233</u>

Amounts owed to parent undertaking and fellow subsidiaries are trading in nature and do not bear interest.

**8. Operating lease rentals**

At 31 March 2015 the Company had annual commitments under non-cancellable operating leases as follows:

	2015 £'000	2014 £'000
<b>Land and buildings:</b>		
Under one year	-	-
In the second to fifth year inclusive	-	-
In more than five years	6	6
	<u>6</u>	<u>6</u>
<b>Vehicles:</b>		
Under one year	-	-
In the second to fifth year inclusive	-	-
In more than five years	38	-
	<u>38</u>	<u>-</u>
<b>Total:</b>		
Under one year	-	-
In the second to fifth year inclusive	-	-
In more than five years	44	6
	<u>44</u>	<u>6</u>

**9. 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.

**Notes to the Financial Statements for the year ended 31 March 2015 continued**

**10. Profit and loss account**

	<b>Total</b>
	<b>£'000</b>
At 1 April 2014	193
Profit for the year	130
<b>At 31 March 2015</b>	<u><u><b>323</b></u></u>

**11. Related party transactions**

During the year, the Company invoiced the Trust a total of £1,251,550 (2014: £1,126,000) and was recharged costs by the Trust totalling £1,727,892 (2014: £1,507,307), these recharges included £1,350,886 (2014: £1,253,087) of staff costs. At the year end the Trust owed the Company a sum of £nil (2014: £320,578), on the basis that the liability was transferred to the Association.

During the year Sanctuary Maintenance Contractors Limited, a fellow member of the Sanctuary Group, provided services to the Company to the value of £7,162 (2014: £nil). At the year end the Company owed Sanctuary Maintenance Contractors Limited £3,429 (2014: £nil)

During the year Sanctuary Housing Association (the Association), the ultimate parent undertaking, provided services to the Company to the value of £37,271 (2014: £nil). At the year end the Company owed the Association £83,133 (2014: £nil), this included a liability of £48,527 which was transferred from the Trust to the Association on transfer of engagement.

During the year the Company invoiced Cheshire West and Chester Council (the Council) £822,622 (2014: £709,556) for services provided to the local community. The Company paid a total of £8,183 (2014: £7,973) to the Council in the year, relating to rent and rates. At the year end, the Council owed the Company £987,146 (2014: £115,672), offset by a bad and doubtful debt provision of £171,476, (2014: £115,672).

**12. Post balance sheet events**

There are no post balance sheet events to report.

**13. Ultimate controlling party**

The Company has two members. Until 31 March 2015 these were Chester & District Housing Trust Limited (the Trust) and Cheshire West and Chester Council (the Council). On the 31 March 2015 Sanctuary Housing Association (the Association) replaced the Trust as a member following a transfer of engagement.

On any resolution in general meeting 100 votes shall be available of which:

- (a) The Council shall be entitled to cast 49 votes
- (b) The Association shall be entitled to cast 51 votes

The Company is therefore deemed to be under the control of the Association.

The ultimate parent undertaking and controlling party is Sanctuary Housing Association being the smallest and largest group to consolidate these financial statements, registered in England as a Registered Society (Number 19059R) and with the Homes and Communities Agency (Number L0247). A copy of the Group financial statements can be obtained from Sanctuary Housing Association, Chamber Court, Castle Street, Worcester, WR1 3ZQ.