



## Civance Limited

# Draft Summary Financial Statements 2015-16

### Summary

Civance Limited was incorporated on 8 May 2014 and commenced trading on 1 April 2015, following the transfer of Building Control and Planning/Land Charges Administration functions from Cheshire East Borough Council (CEBC). The company's shareholders are a combination of Cheshire East Residents First Ltd (CERF Ltd) (80% shareholder) and Cheshire East Borough Council (20% shareholder). The company's main contract rests with CEBC.

Civance Limited performed strongly in 2015/16, recording a £300k profit from its operations, prior to contractual share adjustments.

Core Building Regulation and Land Charge income is managed and collected by Civance Ltd, as Agent, on behalf of CEBC under the terms of contract. That income is retained by CEBC within its accounts and forms part of the contract, providing demanding achievement targets for the Company. An under achievement in the CEBC income target of £110k was reflected and adjusted for in the profit share arrangement, in accordance with the contract.

The contracted profit sharing arrangement is such that, 25% of core contract profit is retained by the Company, 50% is retained in a ring-fenced reserve (held by the ultimate Parent CEBC) and 25% is retained by the Parent. This profit sharing adjustment is affected through a management fee adjustment. The ring-fenced reserve, retained by the Parent is held for future use by the Company in line with provisions in the contract.

The reported profit for the year, after the effects of contract profit sharing arrangements is £52k. This includes £46k from the profit share arrangement and £6k generated from activity outside the CEBC contract.

### Pensions costs

CEBC has altered its pension arrangements with its owned and controlled companies in respect of employee benefits resulting from membership of the Local Government Pension Scheme (LGPS), by moving to a 'pass through' agreement, effective from 1 April 2015. The new 'pass through' agreement transfers all pensions assets and liabilities back to CEBC, from 1 April 2015, CEBC will reflect the amounts and related accounting entries in their financial statements.

The 'pass through' agreement between CEBC and Civance will specify a fixed rate of employer contribution payable by the company to the Cheshire Pension Fund and as a consequence, Civance will disclose these contributions to the scheme in its Profit and Loss account, consistent with the accounting treatment of a defined contribution scheme.

# Statement of Comprehensive Income (Unaudited)

For the year ended 31 March 2016

	2016 £'000	2015 £'000
Turnover	1,525	0
Cost of sales	(1,036)	0
<b>Gross profit</b>	<b>489</b>	<b>0</b>
Administrative Expenses	(437)	0
<b>Operating profit</b>	<b>52</b>	<b>0</b>
Taxation	0	0
Profit for the financial year/period	<b>52</b>	<b>0</b>
Other comprehensive income for the year/period	0	
Total comprehensive income for the year/period	<b>52</b>	<b>0</b>

# Statement of Financial Position (Unaudited)

Registered Number: 09030946

At 31 March 2016

	2016 £'000	2015 £'000
<b>Current assets</b>		
Debtors	14	0
Cash at bank and in hand	435	0
<b>Total Current Assets</b>	<b>449</b>	<b>0</b>
<b>Creditors: amounts falling due within one year</b>		
Trade creditors	(397)	0
<b>Total Creditors: amounts falling due within one year</b>	<b>(397)</b>	<b>0</b>
<b>Net current assets</b>	<b>52</b>	<b>0</b>
<b>Net Assets less Current Liabilities</b>	<b>52</b>	<b>0</b>
	0	0
<b>Total Creditors: amounts falling due after more than one year</b>	<b>0</b>	<b>0</b>
<b>Net Assets</b>	<b>52</b>	<b>0</b>
<b>Capital and Reserves</b>		
Retained Earnings	52	0
<b>Total Equity</b>	<b>52</b>	<b>0</b>

The financial statements of Civicance Limited (the "Company") for the year ended 31 March 2016 will be issued to the Board for authorisation in September 2016 following the external audit of the company accounts.

As a wholly owned company within the Cheshire East Borough Council Group, Civicance Limited's results are included in the consolidated financial statements of CEBC which are available from: [http://www.cheshireeast.gov.uk/council\\_and\\_democracy/your\\_council/council\\_finance\\_and\\_governance/statement\\_of\\_accounts/statement\\_of\\_accounts.aspx](http://www.cheshireeast.gov.uk/council_and_democracy/your_council/council_finance_and_governance/statement_of_accounts/statement_of_accounts.aspx).