

Swan Processing Limited

Unaudited Financial Statements
for the Year Ended 31 March 2019

Swan Processing Limited

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Swan Processing Limited

(Registration number: 3029352)

Statement of Financial Position as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Investment property	<u>5</u>	1,500,000	1,500,000
Investments	<u>6</u>	100	100
		<u>1,500,100</u>	<u>1,500,100</u>
Current assets			
Debtors	<u>7</u>	646,316	572,429
Cash at bank and in hand		-	6,931
		646,316	579,360
Creditors: Amounts falling due within one year	<u>8</u>	(1,659,929)	(1,610,310)
Net current liabilities		(1,013,613)	(1,030,950)
Total assets less current liabilities		486,487	469,150
Creditors: Amounts falling due after more than one year	<u>8</u>	(218,939)	(242,938)
Net assets		<u>267,548</u>	<u>226,212</u>
Capital and reserves			
Called up share capital		100	100
Non Distributable Reserves		325,988	325,988
Profit and loss account		(58,540)	(99,876)
Shareholders Funds		<u>267,548</u>	<u>226,212</u>

The notes on pages 3 to 8 form an integral part of these financial statements.

Swan Processing Limited

(Registration number: 3029352)

Statement of Financial Position as at 31 March 2019

For the financial year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Income Statement has been taken.

Approved and authorised by the Board on 9 December 2019 and signed on its behalf by:

.....

C Tong

Director

The notes on pages 3 to 8 form an integral part of these financial statements.

Swan Processing Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

St George's House
215-219 Chester Road
Manchester
Lancashire
M15 4JE
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The financial statements have been prepared on a going concern basis.

The balance sheet shows that the company has net assets of £267,548 (2018 - £226,212) and net current liabilities in the sum of £1,013,613 (2018 - £1,030,950) at the year end. In the opinion of the directors, the balance outstanding to Swan Mill Processing Limited, as detailed in note 9, is not expected to be repayable in the foreseeable future. The accounts are therefore drawn up on the going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Swan Processing Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Tax

The tax expense for the period comprises current tax. Tax is recognised in the statement of income, except that a change attributable to an item or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	Over 50 years
Fixtures and fittings	25% on cost

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by the directors. The directors use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

The original cost of the property was £1,174,000 when purchased. During the year to 31 March 2018, the property was re-valued by the director's at a cost of £1,500,000.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Swan Processing Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability are charged as interest expenses in the income statement.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 2 (2018 - 2).

Swan Processing Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

4 Tangible assets

	Fixtures and Fittings £	Total £
Cost or valuation		
At 1 April 2018	61,209	61,209
At 31 March 2019	61,209	61,209
Depreciation		
At 1 April 2018	61,209	61,209
At 31 March 2019	61,209	61,209
Carrying amount		
At 31 March 2019	-	-

5 Investment properties

	2019 £
At 1 April	1,500,000

There has been no valuation of investment property by an independent valuer. The directors have confirmed that the valuation of the property remains the same.

6 Investments

	2019 £	2018 £
Investments in subsidiaries	100	100

Swan Processing Limited owns 100% of the issued share capital of Swan Mill Processing Limited.

Subsidiaries	£
Cost or valuation	
At 1 April 2018	100
Provision	
Carrying amount	
At 31 March 2019	100
At 31 March 2018	100

Swan Processing Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

7 Debtors

	Note	2019 £	2018 £
Trade debtors		48,030	47,360
Amounts owed by group undertakings and undertakings in which the company has a participating interest		513,069	414,751
Other debtors		63,339	89,167
VAT Control account		10,518	10,788
Prepayments		11,360	10,363
Total current trade and other debtors		<u>646,316</u>	<u>572,429</u>

Swan Processing Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

8 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Bank loans and overdrafts		227,243	216,962
Trade creditors		114	6,652
Taxation and social security		424	320
Other creditors		1,379,043	1,329,122
Accruals		53,105	57,254
		<u>1,659,929</u>	<u>1,610,310</u>
Due after one year			
Loans and borrowings		<u>218,939</u>	<u>242,938</u>

Within other creditors is an amount owed to Swan Mill Processing Limited in the sum of £1,329,009 (2018 - £1,329,022) and an amount owed to Draco Holdings Limited who is the ultimate parent of Swan Processing Limited in the sum of £49,935 (2018 - £2,518). There are no repayment structures in place and no interest has been charged on the amounts outstanding.

The company has a bank overdraft facility with HSBC bank which is shown in other creditors - due within one year. The overdrawn amount at the year end is £1,904 (2018 - £6,932 - cash at bank in hand). The overdraft is secured by a fixed and floating charge over the undertaking and all property and assets.

The company has a bank loan with The Hong Kong and Shanghai Banking Corporation Limited. The balance outstanding at the year end is £243,344 (2018 - £267,343) which is shown in other creditors. The loan is secured by a fixed and floating charge on all property and fixed assets.

The company has an overdraft facility with Shanghai Commercial Bank Limited. The amount outstanding at the year end is £200,934 (2018 - £192,557) which is shown in other creditors. The loan is secured by a fixed and floating charge over the undertaking and all property and assets and also the land and building - Duke Mill Refuge Street, Shaw, Oldham.

9 Parent and ultimate parent undertaking

The company's immediate parent is Trendairo Limited, incorporated in England.

The ultimate parent is Draco Holdings Limited, incorporated in Hong Kong.

The ultimate controlling party is Draco Holdings Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.