

Ongo Commercial Limited

Report and Financial Statements

Year Ended

31 March 2020

Company Number 08048444 (England and Wales)

Ongo Commercial Limited

Report and financial statements
for the year ended 31 March 2020

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Ongo Commercial Limited

Report and financial statements for the year ended 31 March 2020

Board Members

The following members, who are formally recognised as Directors at Companies House, have held office during the period and to the date of this report unless otherwise stated:

D Stewart	(resigned 31 December 2019)
N Thompson	(resigned 31 December 2019)
R Gravestock	(resigned 10 September 2019)
C Bratton	(resigned 31 December 2019)
K Yorath	(resigned 31 December 2019)
B Orton	(resigned 31 December 2019)
P Gouldthorpe	
A Harrison	(appointed 29 November 2019)
L Coulson	(appointed 29 November 2019)
R Walder	(appointed 29 November 2019)
P Warburton	(appointed 24 January 2020)

Executive leadership team:	Chief Executive	S Hepworth
	Property Director	P Stones
	Director of Resource and Commercial Services	A Harrison
	Director of Corporate & Compliance Services	J Sugden
	Director of Communities	K Hornsby

Secretary and registered office:

J Sugden
Ongo House
High Street
Scunthorpe
North Lincolnshire
DN15 6AT

Company Number

08048444

Auditor:

BDO LLP
Central Square
29 Wellington Street
Leeds
LS1 4DL

Bankers:

Barclays Bank plc
One Snowhill
Snow Hill Queensway
Birmingham B4 6GN

Solicitors:

Croftons Solicitors LLP
The Lexicon
Mount Street
Manchester
NE1 3DX

Forbes Solicitors
Rutherford House
4 Wellington Street (St Johns)
Blackburn
BB1 8DD

Whiteheads Solicitors
6 Water Street
Newcastle
ST5 1HR

Bermans
Exchange Station
Titheburn Street
Liverpool
L2 2QP

Trowers and Hamblins
55 Princess Street
Manchester
M2 4EW

Ongo Commercial Limited

Directors' Report for the year ended 31 March 2020

Nature of business

Ongo Commercial Limited is a company limited by shares which are wholly-owned by Ongo Partnership Ltd.

The corporate structure of the Ongo group is clearly defined and the relationship between this Company, the parent and its other subsidiaries is set out in Intra-Group agreements which were considered and approved by each of their Boards.

The role of the Company is to develop commercial business opportunities to generate traded income on a profit basis to enhance the business of the group. This year, the primary trading activity has been a locksmith business.

At the end of the financial year Ongo Commercial had two wholly owned subsidiaries – Ongo Roofing Limited (t/a Ashbridge Roofing) and Ongo Heating & Plumbing Limited (t/a Hales & Coultas Heating and Plumbing).

Consolidated accounts have not been prepared because Ongo Partnership Limited produces consolidated accounts for the Ongo group as a whole.

Board and Executive Directors

The Board Members and Executive Management Team serving during the period and up to the date of signing the Financial Statements are listed on page 3. The Board Members listed on page 3 are the statutory directors of the company under Companies Act 2006. None of the Board Members and Executive Management Team holds any interests in the capital of this company, or of Ongo Partnership Limited.

Members of the Executive Management Team act as executives within the authority delegated through the Intra-group Agreement between Ongo Partnership Limited, Ongo Commercial Limited and Ongo Homes Limited. The Company's insurance policies indemnify Board Members and officers against liability when acting on its behalf.

Financial Statements

The Directors present their report and audited Financial Statements of the Company for the year ended 31 March 2020.

Going Concern

The Financial Statements are prepared on a going concern basis, as the Board is satisfied that the Company has sufficient resources to continue its activities for the foreseeable future, due to financial support from Ongo Partnership Limited; this support has been confirmed in writing. In making this assessment the Board has considered a wide range of information relating to present and future conditions, including future business plan projections allied to expected income, taking into account the effects of Covid-19.

Ongo Commercial Limited

Directors' Report for the year ended 31 March 2020 (*continued*)

Statement of the Directors' Responsibilities

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 Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). 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 those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 it to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them for safeguarding the assets of the Company and to prevent and detect fraud and other irregularities.

External Audit

In so far as the Board is aware, all of the current board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

NHF Code of Governance

The Board has adopted the National Housing Federation (NHF) Code of Governance and following an assessment against the code is fully compliant. The following areas of the Code are not applicable to this company:

- B8 (shareholders)
- D6 & D7 (provisions regarding nomination and election)
- H2(2) (charity law)
- H2(3) (Co-operative and Community Benefit Legislation)
- H6 (requirement to publish annual report)
- H7 (strategy for communicating to stakeholders)

Auditor

BDO LLP are in the second year of their three year appointment to serve as auditor for the company.

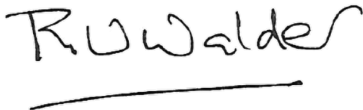
Ongo Commercial Limited

Directors' Report for the year ended 31 March 2020 (continued)

Small companies provisions

This Directors' report has been prepared in accordance with the small companies provisions of the Companies Act 2006.

By Order of the Board



A handwritten signature in black ink that reads "R Walder". Below the signature is a horizontal line.

R Walder
Director

Date: 3rd September 2020

Ongo Commercial Limited

Independent auditor's report to the members of Ongo Commercial Limited for the year ended 31 March 2020

Opinion

We have audited the financial statements of Ongo Commercial Limited ('the Company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Ongo Commercial Limited

Independent auditor's report to the members of Ongo Commercial Limited (continued) for the year ended 31 March 2020

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Ongo Commercial Limited

Independent auditor's report to the members of Ongo Commercial Limited (continued) for the year ended 31 March 2020

Use of our report

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.

BDO LLP

Helen Knowles (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds

Date: 29 September 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Ongo Commercial Limited

Statement of comprehensive Income for the year ended 31 March 2020

	Note	2020 £	2019 £
Turnover	2	15,102	14,344
Cost of sales		(12,039)	(8,551)
Gross profit		3,063	5,793
Administration expenses		(31,112)	(273,812)
Operating loss	3	(28,049)	(268,019)
Interest receivable		13,200	13,200
Interest payable		(31,790)	(31,858)
Loss on partial sale of subsidiary		-	(26,770)
Loan written off	4	338,100	-
Profit/(loss) on ordinary activities before taxation		291,461	(313,447)
Taxation on profit/(loss) on ordinary activities	7	-	-
Profit/(loss) for the financial year		291,461	(313,447)
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		291,461	(313,447)

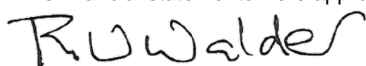
The notes on pages 13 to 18 form part of these financial statements.

Ongo Commercial Limited

Statement of financial position at 31 March 2020

Company number: 08048444	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	8		27		27
			<u>27</u>		<u>27</u>
Current assets					
Stocks	9	1,054		832	
Debtors - receivable within one year	10	18,167		21,977	
Debtors - receivable after one year	10	12,604		-	
Cash at bank and in hand		2,327		12,375	
		<u>34,152</u>		<u>35,184</u>	
Total current assets		34,152		35,184	
Creditors - amounts falling due within one year	11	(5,339)		(737,105)	
		<u>28,813</u>		<u>(701,921)</u>	
Net current assets/(liabilities)		28,813		(701,921)	
Total assets less current liabilities		28,840		(701,894)	
Creditors - amounts falling due after more than one year			(439,273)		-
			<u>(410,433)</u>		<u>(701,894)</u>
Total net liabilities			(410,433)		(701,894)
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account			(410,434)		(701,895)
			<u>(410,433)</u>		<u>(701,894)</u>
Total shareholders' deficit			(410,433)		(701,894)

The financial statements were approved by the Board of Directors and authorised for issue on 3 September 2020



R Walder
Director



S Hepworth
Chief Executive Officer

The notes on pages 13 to 18 form part of these financial statements.

Ongo Commercial Limited

Statement of changes in equity for the year ended 31 March 2020

	Profit & loss account £	Called up share capital £	Total £
Balance at 1 April 2019	(701,895)	1	(701,894)
Profit/(loss) for the period	291,461	-	291,461
	<hr/>		<hr/>
Other comprehensive loss for the year	-	-	-
	<hr/>		<hr/>
Total comprehensive profit/(loss) for the year	291,461	-	291,461
	<hr/>		<hr/>
Balance at 31 March 2020	(410,434)	1	(410,433)

Statement of changes in equity For the year ended 31 March 2019

	Profit & loss account £	Called up share capital £	Total £
Balance at 1 April 2018	(388,448)	1	(388,447)
Profit/(loss) for the period	(313,447)	-	(313,447)
	<hr/>		<hr/>
Other comprehensive loss for the year	-	-	-
	<hr/>		<hr/>
Total comprehensive profit/(loss) for the year	(313,447)	-	(313,447)
	<hr/>		<hr/>
Balance at 31 March 2019	(701,895)	1	(701,894)

The notes on pages 13 to 18 form part of these financial statements.

Ongo Commercial Limited

Notes forming part of the financial statements
for the year ended 31 March 2020

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Ongo Commercial Limited

Notes forming part of the financial statements for the year ended 31 March 2020

1 Significant accounting policies

Ongo Commercial Limited is a company limited by shares incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors' report. The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the company's accounting policies.

The presentation currency of the financial statements is the Pound Sterling (£), rounded to the nearest £1.

The following principal accounting policies have been applied:

Financial Reporting Standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The financial Reporting Standard applicable in the UK and Republic of Ireland":

- o the requirements of Section 4 Statement of Financial position paragraph 4.12(a)(iv);
- o the requirements of Section 7 Statement of Cash Flows;
- o the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- o the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- o the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- o the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Ongo Partnership Limited as at 31 March 2020 and these financial statements may be obtained from Ongo House, High Street, Scunthorpe, North Lincolnshire, DN15 6AT.

Going concern

The company's financial plans have been reviewed in light of the effects of Covid-19 and the Board are satisfied that these plans are affordable and that the financial statements should be prepared on a going concern basis.

As a consequence of the COVID-19 pandemic, the board have reviewed the company's financial forecasts for the two years ended 31 March 2022, to ensure they reflect the risks and financial impacts as relevant and proportionate to our business. There has been minimal impact on the business and as a result the latest forecast remains line with initial expectations for both 2020/21 and 2021/22.

The company was swift to adapt and implement the Government guidance on social distancing, reviewing and adjusting the associated operating environment and processes. As a result we have seen minimal disruption and have in line with our initial forecasts throughout the lockdown period.

A further local or national outbreak of COVID-19 cannot be ruled out and additional measures may be taken by the Government to contain this, which are unknown and uncontrollable. However, the company has effective controls and processes in place to manage and monitor cashflows. On this basis, the board consider it appropriate for the financial statements to be prepared on a going concern basis.

Turnover

Revenue from the sales of goods and services is recognised when the Company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Company will receive the previously agreed upon payment. These criteria are considered to be met when the services are delivered to the buyer.

Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

Ongo Commercial Limited

Notes forming part of the financial statements for the year ended 31 March 2020

Current and deferred taxation

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

The current income 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's subsidiaries operate and generate taxable income.

Deferred balances are not recognised in respect of any timing differences that have originated but not reversed by the balance sheet date.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Cash at bank and in hand

Cash at bank and in hand includes deposits which can be withdrawn within 24 hours without penalty and short term deposits which have a maturity period of 3 months or less and are not subject to significant risk of changes in value.

Liabilities

Liabilities are recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

2 Analysis of turnover

All turnover arose in the UK and related to the principal activity of the business.

3 Operating profit/(loss)

All fees for the audit of the company's annual accounts are paid by the ultimate parent company of the group.

4 Exceptional item

During the year a loan of £338,100 from the ultimate parent company, Ongo Partnership Limited, was formally forgiven.

5 Employees

No employees are paid directly by the company. The company had an average of six directors during the year.

Ongo Commercial Limited

Notes forming part of the financial statements
for the year ended 31 March 2020

6 Directors' remuneration

The remuneration of the directors is paid by Ongo Partnership Limited and the relevant portion is recharged to Ongo Commercial (with a mark-up).

7 Taxation on profit on ordinary activities

Ongo Commercial Limited, having incurred taxable losses for this and the previous financial period, is not liable to UK corporation tax in either year.

Deferred tax balances are not recognised.

<i>UK corporation tax</i>	2020	2019
	£	£
Current tax on profit/(loss) for the year	-	-
	<hr/>	<hr/>
Taxation on profit/(loss) on ordinary activities	-	-
	<hr/> <hr/>	<hr/> <hr/>

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK applied to profit before tax. The difference are explained below:

	2020	2019
	£	£
Profit/(loss) on ordinary activities before tax	291,461	(313,447)
	<hr/>	<hr/>
Profit/(loss) on ordinary activities at the standard rate of Corporation tax in the UK of 19%	55,378	(59,555)
Effects of:		
Expenses not deductible for tax purposes	(64,239)	52,584
Group relief	17,908	-
Adjustments to tax charge in respect of previous periods - deferred tax	-	(3,970)
Effects of change in tax rate	-	734
Deferred tax not recognised	(9,047)	10,207
	<hr/>	<hr/>
Total tax charge for period	-	-
	<hr/> <hr/>	<hr/> <hr/>

8 Fixed asset investments

Subsidiary undertakings

The company has interests at the year end in the following:

	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Ongo Roofing Limited	England and Wales	100%	Roofing
Ongo Heating and Plumbing Limited	England and Wales	100%	Heating and plumbing

Participating interests

The company has interest at the year end in the following:

Ongo Sales and Lettings Limited	England and Wales	25%	Sales and lettings
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Ongo Commercial Limited

Notes forming part of the financial statements
for the year ended 31 March 2020

		2020	2019
		£	£
9	Stocks		
	Raw materials and consumables	1,054	832
		<u>1,054</u>	<u>832</u>
10	Debtors		
	Receivable within one year		
	Trade debtors	818	456
	Amounts owed by group undertakings	17,349	21,521
		<u>18,167</u>	<u>21,977</u>
	Receivable after one year		
	Amounts due from group undertakings - loans	12,604	-
		<u>12,604</u>	<u>-</u>
	<p>Included in debtors are loans to group companies totalling £12,604. These loans are due for repayment in full by 31 March 2025. Repayment of these loans is at the borrower's discretion and they have therefore been included in amounts falling due after more than one year.</p>		
11	Creditors: amounts falling due within one year		
	Amounts owed to group undertakings - trading	-	158,735
	Amounts owed to group undertakings - loans	-	578,100
	Accruals and deferred income	5,250	270
	Taxation and social security	89	-
		<u>5,339</u>	<u>737,105</u>
11	Creditors: amounts falling due after more than one year		
	Amounts owed to group undertakings - loans	439,273	-
		<u>439,273</u>	<u>-</u>
	<p>Included in creditors are loans from a group company totalling £439,273. These loans are due for repayment in full by 31 March 2025. Repayment of these loans is at the the borrower's discretion and they have therefore been included in amounts falling due after more than one year.</p>		
12	Share capital		
	<i>Allotted, called up and fully paid</i>		
	One ordinary share of £1.00 each	1	1
		<u>1</u>	<u>1</u>

Ongo Commercial Limited

Notes forming part of the financial statements
for the year ended 31 March 2020

13 Related party disclosures

The ultimate controlling party is Ongo Partnership Limited and its consolidated accounts are available to the public from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Other than transactions between the group and other group subsidiaries themselves, the company does not believe it has any 'Related Parties' and therefore no relevant transactions occurred during the year.