

Company registration number: 6178863

TOTAL RESPONSE LIMITED

Financial Statements

Year ended 31 March 2015

TOTAL RESPONSE LIMITED

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TOTAL RESPONSE LIMITED

CHAIR'S STATEMENT

This is Total Response Limited's 8th trading period since formation. Whilst the company has produced a deficit of £25k, (£154k surplus in 2014) this has to be viewed in context of a smaller turnover from internal work within the Group and the Group asking that the reduction in the workforce necessary to reflect that smaller level of work be accommodated throughout natural wastage rather than through compulsory redundancies. This is explained further below.

Turnover has fallen by 12% overall, in the year, with the majority of work coming from within Shropshire Housing Group but also achieving £512k turnover from work for external organisations and individuals. The workforce has consolidated from 122 to 112 to reflect the reduced internal work. This was achieved by natural wastage. South Shropshire Housing Association commissioned work to the value of £3,120k and Meres and Mosses Housing Association commissioned £2,423k. Private works accounted for £512k and facilities management of £421k. The private works contributed a healthy £181k towards overheads through greater profitability.

The company has made a valuable contribution to the Corporate Plan in providing work in the local area and has continued its investment in apprentices.

I would like to thank all staff for the dedication and commitment they have shown throughout the year as they have sought to achieve an efficient and effective maintenance service in spite of very difficult national trading conditions. Once again they have risen to the challenge admirably. My thanks also for the support of my fellow directors and, of course those who have now left the Board. As the new Chair of TRL I look forward to helping to shape Total Response's future and face the challenges ahead together.

Graham Biggs
Chair

July 2015

MEMBERS OF THE BOARD

The members of the Board who served during the year were as follows:

John Stringer Chair – retired 17th June 2015

Graham Biggs Chair – from 17th June 2015

Martin Buxey – retired 1st November 2014

Stephen Donkersley

Jake Berriman

Sonia Youd – from 1st November 2014

The Board reports that the company produced a small deficit of £25k, compared to the estimated outturn of £5k at the latest revised stage. Turnover was over £6.4 million.

FUTURE DEVELOPMENTS

The Board is looking to further extend its business operations in and around the county. This will include further work for Meres & Mosses Housing Association and investigating opportunities to increase its level of private works.

CASH FLOW AND LIQUIDITY

The cash inflow from operating activities during the year was £33k.

By order of the Board

Graham Biggs
Chair

_____ **2015**

TOTAL RESPONSE LIMITED

STATEMENT OF BOARD OF 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 the financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that period.

In preparing those financial statements, the Directors are required to:

- adopt suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting policies have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis.

The Directors are responsible for making the appropriate arrangements for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company and to enable it to ensure that the financial statements comply with the Companies Act 2006. They also have the responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

DIRECTORS' INDEMNITY

The Directors have confirmed that the Company does have Directors and Officers insurance in place.

INTERNAL CONTROLS

The Shropshire Housing Board, on behalf of the Group and all its subsidiaries, has reviewed the effectiveness of the system of internal control, including the sources of assurance agreed by the Board as being appropriate for that purpose. On the basis of the evidence provided by the Director of Corporate Services which has been considered by the Group Board on 21st May 2015, we are satisfied that there is sufficient evidence to confirm that adequate systems of internal control existed and operated throughout the year. We are also satisfied that those systems were aligned to an ongoing process for the management of the significant risks facing TRL and the Group as a whole. No weaknesses were identified which would have resulted in material misstatement or loss and which would have required disclosure in the financial statements.

FINANCIAL INSTRUMENTS

The Company does not have any abnormal exposure to price, credit, liquidity and cash flow risks arising from its trading activities. The Company does not enter into any hedging transactions and no trading in financial instruments is undertaken.

DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- So far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each of the Directors has taken all the steps that they ought to have taken as a Board member to make them aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

GOING CONCERN

After reviewing the Company's budget for 2015/16 and based on normal business planning and control procedures, the Directors of the Board have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

Background

Total Response Limited (TRL) is an independent private limited company (registration number 6178863) formed in June 2007 to provide high quality maintenance services to Shropshire Housing Group and external customers, and any other enterprises within the communities of Shropshire and Herefordshire and neighbouring areas.

Operating Review

On 1st June 2007 Total Response Limited was established as a private limited company. It has delivered a quality repairs service to South Shropshire Housing Association and Meres and Mosses Housing Association as well as private individuals. On 30th July 2007 it became a wholly owned subsidiary of the Shropshire Housing Group.

During the current year the company has managed the Facilities Management contract for the Gateway at Craven Arms and has won over £512k worth of private works. This has contributed around £181k to overhead costs and has allowed a cost effective service to be delivered to the tenants of Meres & Mosses and South Shropshire Housing Associations.

Reporting Structure

The Board comprises up to 5 members. The Board is responsible for the company's continuing strategy and policy framework. It delegates the day to day management and implementation of that framework to the Senior Management team. The Board now meets quarterly as a minimum.

Continuous Improvement

The Group is committed to achieving excellent performance across the whole of its business and services. The Group has a comprehensive performance management framework which ensures a clear focus on performance improvement and clear responsibility for scrutiny on performance at various levels.

The Group Board has a specific Audit and Risk Committee which meets regularly. Performance is also monitored by Senior Management Team and operational managers.

Risks and uncertainties

The Group's managers have a clear responsibility for identifying risk facing each of the areas in which they operate and for putting in place procedures to mitigate and manage risk. It is the Audit and Risk Committee's responsibility to review and assess those risks.

Financial Review

In 2014/2015 the company has posted small deficit of £25k. This is down from 2014 surplus (£154k) however this was against a backdrop of reduced work for the Group of £812k.

The Strategic Report (incorporating the Operating Financial Review) was approved by the Board on _____ 2015 and signed on it's behalf by:

_____ Graham Biggs, Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOTAL RESPONSE LIMITED

We have audited the financial statements of Total Response Limited for the year ended 31 March 2015 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement 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 the Board and the auditor

As explained more fully in the Statement of the Directors' Responsibilities set out on page 3, 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 (APB's) Ethical Standards for Auditors. This report, including our opinion, 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. 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.

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 web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 its deficit for the year 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 the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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
- 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.

Lee Cartwright (Senior statutory auditor)

For and on behalf of Mazars LLP, Chartered Accountants (Statutory Auditor)

**45 Church Street
Birmingham
B3 2RT**

TOTAL RESPONSE LIMITED**INCOME AND EXPENDITURE ACCOUNT**

For the year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
TURNOVER	2	6,476	7,348
Operating costs	2	(6,498)	(7,310)
OPERATING (DEFICIT)/SURPLUS	2	(22)	38
Profit on sale of fixed assets		1	138
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST		(21)	176
Interest received and similar income	3	-	-
Interest payable and similar charges		-	-
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(21)	176
Taxation on (deficit)/surplus on ordinary activities	7	(4)	(22)
(DEFICIT)/SURPLUS FOR THE YEAR	13	(25)	154

All of the above relate to continuing activities.

There are no recognised gains or losses other than the result for the year.

TOTAL RESPONSE LIMITED

BALANCE SHEET
As at 31 March 2015

	Notes	£'000	2015 £'000	£'000	2014 £'000
TANGIBLE FIXED ASSETS					
Tangible assets cost	8		446		402
Less depreciation	8		(363)		(356)
			<u>83</u>		<u>46</u>
CURRENT ASSETS					
Stock	9	236		234	
Debtors	10	228		172	
Cash at bank and in hand		47		104	
		<u>511</u>		<u>510</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	11	(559)		(496)	
NET CURRENT (LIABILITIES)/ASSETS					
			<u>(48)</u>		<u>14</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>35</u>		<u>60</u>
CAPITAL AND RESERVES					
Called up share capital	12		-		-
Revenue reserve	13		35		60
			<u>35</u>		<u>60</u>

The financial statements were approved by the Board on _____ and signed on its behalf by:

Graham Biggs
Chairman

Director

Registration number: 6178863

TOTAL RESPONSE LIMITED

CASH FLOW STATEMENT

Year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	(a)	33	(288)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		-	-
Interest paid		-	-
		<hr/>	<hr/>
			-
CAPITAL EXPENDITURE			
Proceeds on disposal of fixed assets		3	226
Purchase on other tangible fixed assets		(67)	(46)
		<hr/>	<hr/>
		(64)	180
TAXATION		(26)	-
FINANCING			
Principal lease repayments		-	-
Net shares issued		-	-
		<hr/>	<hr/>
		-	-
(DECREASE) IN CASH	(c)	<u>(57)</u>	<u>(108)</u>

TOTAL RESPONSE LIMITED

NOTES TO THE CASH FLOW STATEMENT

Year ended 31 March 2015

(a) RECONCILIATION OF OPERATING SURPLUS TO
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2015 £'000	2014 £'000
Operating (deficit)/surplus	(22)	38
Depreciation	27	19
(Increase) in debtors	(56)	(35)
Increase in stock	(2)	(29)
Increase/(Decrease) in creditors	86	(281)
Net cash inflow/(outflow) from operating activities	<u>33</u>	<u>(288)</u>

(b) RECONCILIATION OF NET CASHFLOW TO
MOVEMENT IN NET FUNDS

	2015 £'000	2014 £'000
(Decrease) in cash in the year	(57)	(108)
Housing loans received	-	-
Change in net funds	<u>(57)</u>	<u>(108)</u>
Net funds brought forward	104	212
Net funds carried forward	<u>47</u>	<u>104</u>

(c) ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2014 £'000	Cashflow £'000	At 31 March 2015 £'000
Investments	-	-	-
Cash at bank and in hand	104	(57)	47
	<u>104</u>	<u>(57)</u>	<u>47</u>
Debt due after 5 years	-	-	-
	<u>104</u>	<u>(57)</u>	<u>47</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). A summary of the more important accounting policies, which have been consistently applied, is set out below. The accounting policies were reviewed by the Audit and Risk Committee on 13th May 2015 in accordance with FRS18.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents work done on behalf of other members of Shropshire Housing Group and external work done for other entities or private individuals, together with facilities management for the Gateway.

Fixed assets and depreciation

Other tangible fixed assets are stated at cost and are written down to their residual value over their expected useful life on a straight line basis at the following annual rates:

Office equipment, fixtures & fittings	-	15% to 25%
Plant & machinery	-	15% to 25%
Vehicles	-	25%

Stock

Stock is stated at the lower of cost and net realisable value.

Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Finance leases

Assets acquired under finance leases are capitalised and interest charged to revenue.

Pension costs

Contributions payable to the company's pension scheme are charged to the income and expenditure account so as to spread the cost of pensions over the service lives of employees in the schemes. FRS 17 is followed.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred (or accelerated) because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax on a full provision basis.

2. TURNOVER, OPERATING COSTS AND OPERATING (DEFICIT)/SURPLUS

	2015			2014		
	Turnover £'000	Operating costs £'000	Operating surplus/ (deficit) £'000	Turnover £'000	Operating costs £'000	Operating surplus/ (deficit) £'000
External work of TRL	512	(436)	76	565	(485)	80
Internal work of TRL	5,543	(5,641)	(98)	6,355	(6,397)	(42)
Facilities management	421	(421)	-	428	(428)	-
	6,476	(6,498)	(22)	7,348	(7,310)	38

TOTAL RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £'000	2014 £'000
Interest receivable from bank deposits	-	-

4. (DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2015 £'000	2014 £'000
<i>(Deficit)/surplus on ordinary activities before taxation is stated after charging:</i>		
Depreciation of tangible fixed assets	27	19
Auditors' remuneration (excluding VAT): (This item is shown within group costs)		
In their capacity as auditors	5	5
In respect of other services	-	-
Amounts payable in respect of hire of plant and machinery	412	324
Amounts payable in respect of rents of land and buildings	185	188

5. STAFF COSTS

	2015 £'000	2014 £'000
Wages and salaries	2,795	3,012
Social security costs	211	248
Other pension costs	136	103
	3,142	3,363

	Number	Number
Average number of full time equivalent persons employed during the year based on 35 -39 hours per week	112	122
These were categorised as:		
Office teams	13	18
Operatives	99	104
	112	122

6. DIRECTORS EMOLUMENTS

	2015 £'000	2014 £'000
The remuneration paid to the Managing Director TRL was:	43	61
Total emoluments inc. pension (this is net of recharge to SHG of £39k for finance role)	44	61

A number of Board members also utilised maintenance services from Total Response Limited (TRL) during the year. All such transactions with TRL are at arms length and no special terms apply.

TOTAL RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

7. TAXATION

	2015 £'000	2014 £'000
(Deficit)/surplus on ordinary activities before tax	(21)	176
Tax on (deficit)/surplus on ordinary activities at 20% (2014 - 20%)	(4)	35
Indexation	-	(3)
Costs not deductible for tax purposes (primarily depreciation on tangible fixed assets)	5	4
Prior year adjustment	4	-
Capital allowances (restricted claim)	(1)	(10)
Unrelieved tax losses utilised	-	(4)
Current charge on the accounts	4	22

8. TANGIBLE FIXED ASSETS

	Office equipment fixtures & fittings £'000	Plant & machinery & vehicles £'000	Total £'000
Cost			
At beginning of year	75	327	402
Additions	47	20	67
Disposals	(6)	(17)	(23)
At end of year	116	330	446
Depreciation			
At beginning of year	45	311	356
Charge for the year	15	12	27
Eliminated on disposals	(4)	(16)	(20)
At end of year	56	307	363
Net book value			
At 31 March 2015	60	23	83
At 31 March 2014	30	16	46

9. STOCK

	2015 £'000	2014 £'000
Consumable maintenance stock	236	234

TOTAL RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

10. DEBTORS

	2015 £'000	2014 £'000
Due within one year		
Prepayments and accrued income	133	172
Amount due from other Group companies	95	-
	<u>228</u>	<u>172</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Trade creditors	232	370
Amount owed to other Group companies	274	60
Accruals and deferred income	48	30
Corporation tax	-	22
Other taxation and social security	5	14
	<u>559</u>	<u>496</u>

12. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Issued and fully paid shares of £1 each:		
At beginning of year	1	1
Issued during the year	-	-
Relinquished during the year	-	-
	<u>1</u>	<u>1</u>

13. RESERVES

	2015 Revenue reserve £'000	2014 Revenue reserve £'000
Balance brought forward	60	(94)
(Deficit)/surplus in the year	(25)	154
	<u>35</u>	<u>60</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

14. PENSION OBLIGATIONS

All employees working within Total Response Limited are employed by South Shropshire Housing Association or Meres & Mosses Housing Association and, as such, they are members of the Social Housing Pension Scheme (SHPS) or the Shropshire Council Superannuation Fund.

Full details and actuarial valuations of these schemes are disclosed in South Shropshire Housing Association's, and Meres & Mosses Housing Association's Financial Statements and Shropshire Housing Limited group accounts.

15. CAPITAL COMMITMENTS

	2015	2014
	£'000	£'000
Capital expenditure contracted for but not provided in the financial statements	-	-
Capital expenditure authorised by the Board of Directors but not yet under contract	-	-
	<u> </u>	<u> </u>

16. OTHER FINANCIAL COMMITMENTS

The company was committed to making the following annual payments under non-cancellable operating leases:

	<u>2015</u>			2014
	<u>Property</u>	<u>Plant</u>	<u>Total</u>	Total
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within 1 year	-	12	12	21
1 - 2 years	-	-	-	12
2 - 5 years	-	163	163	117
Over 5 years	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	175	175	150
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2014 or 31 March 2015.

18. LEGISLATIVE PROVISIONS

The company is incorporated as a private limited company under Companies Act 2006, Registered No. 6178863.

The ultimate parent undertaking is Shropshire Housing Limited, registered under the Co operative and Community Benefit Societies Act 2014 and regulated by the Homes and Communities Agency. Consolidated financial statements of which Total Response Limited are part are available from the registered office address; The Gateway, The Auction Yard, Craven Arms, Shropshire, SY7 9BW.

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of FRS8 exemption not to disclose intra-group transactions.