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2016/17

Total
Response
Ltd

Financial
Statements

Company registration number: 6178863

TOTAL RESPONSE LIMITED

Financial Statements

Year ended 31 March 2017

TOTAL RESPONSE LIMITED

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TOTAL RESPONSE LIMITED

COMPANY INFORMATION

Directors

Directors as at 31st March 2017:

Graham Biggs
Stephen Donkersley (retired 8th September 2016)
Jake Berriman
Sonia Youd
Chris Mellings (appointed 8th September 2016)

Secretary

Jen Hayball

Auditor

Mazars LLP
45 Church Street
Birmingham
B3 2RT

Bankers

RBS
5th Floor
2 St Philips Place
Birmingham
B3 2RB

Company number: 6178863

Registered office:

The Gateway
The Auction Yard
Craven Arms
Shropshire
SY7 9BW

TOTAL RESPONSE LIMITED

CHAIR'S STATEMENT

This is Total Response Limited's (TRL) 10th trading period since formation. The Company has successfully produced a surplus of £65k, (£29k surplus in 2016).

Turnover has remained steady in the year, with the majority of work coming from within Shropshire Housing Group but also achieving an improved £527k (£408k – 2016) turnover from work for external organisations and individuals. The workforce has consolidated from 109 to 107 to reflect the stable internal work. This was achieved by natural wastage. South Shropshire Housing Association commissioned work to the value of £3,192k and Meres and Mosses Housing Association commissioned £2,417k. Private works accounted for £527k and facilities management of £432k. The private works covered its overheads and generated a healthy profit.

This year TRL trialled a "price per property" pilot scheme to deliver the repairs service for South Shropshire and Meres and Mosses Housing Associations. This has been a huge success with TRL providing efficiency savings to Shropshire Housing Group whilst still maintaining an increased profit.

During the year, TRL expanded its operations into the renewables sector, successfully partnering with Ice Energy to install 12 Ground Source Heat Pumps with an increased programme to follow in 2017/18.

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 Chair of TRL I look forward to helping to shape TRL's future and face the challenges ahead together.



Graham Biggs
Chair

20TH July 2017

TOTAL RESPONSE LIMITED

DIRECTORS' REPORT

MEMBERS OF THE BOARD

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

Stephen Donkersley (retired 8th September 2016)

Graham Biggs

Jake Berriman

Sonia Youd

Chris Mellings (appointed 8th September 2016)

The Board reports that the company produced a healthy surplus £65k and turnover was over £6.5 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 £127k.

STATEMENT OF BOARD OF DIRECTOR'S 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 18th May 2017, 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 Group does not have any abnormal exposure to price, credit, liquidity and cash flow risks arising from its trading activities. The Group 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 2017/18 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.

By order of the Board



Graham Biggs
Chair

20th July 2017

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 & 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 £527k worth of private works. This has generated a surplus to cover overhead costs and has allowed a cost effective service to be delivered to the tenants of both 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 2016/2017 the company has generated a surplus of £65k. This is an improvement from the £29k surplus in 2016 as greater efficiencies have been made.

The Strategic Report was approved by the Board on 20th July 2017 and signed on it's behalf by:



Graham Biggs, Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOTAL RESPONSE LIMITED

We have audited the financial statements of Total Response Limited for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows, 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of The Board and the auditor

As explained more fully in the Statement of the Board's Responsibilities set out on page 3, the Board is 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. 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 its 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 website 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 2017 and of the Company's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102; 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 and Statutory Auditor
45 Church Street
Birmingham
B3 2RT
Date: 07 August 2017

TOTAL RESPONSE LIMITED**STATEMENT OF COMPREHENSIVE INCOME**

Year ended 31 March 2017

	Notes	2017 £'000	2016 £'000
TURNOVER	2	6,568	6,430
Operating costs	2	(6,530)	(6,397)
OPERATING SURPLUS	2	38	33
Profit on sale of fixed assets		4	3
SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST		42	36
Finance income	3	-	-
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	42	36
Taxation on credit/(charge) on ordinary activities	7	23	(7)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		65	29

TOTAL RESPONSE LIMITED

STATEMENT OF FINANCIAL POSITION

Year ended 31 March 2017

	Notes	£'000	2017 £'000	£'000	2016 £'000
TANGIBLE FIXED ASSETS					
Tangible assets cost	8		381		408
Less depreciation	8		(281)		(342)
			<u>100</u>		<u>66</u>
CURRENT ASSETS					
Inventories	9	262		238	
Debtors	10	295		471	
Cash and cash equivalents		169		88	
		<u>726</u>		<u>797</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	11	(728)		(830)	
NET CURRENT LIABILITIES					
			<u>(2)</u>		<u>(33)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>98</u>		<u>33</u>
CAPITAL AND RESERVES					
Called up share capital	13				-
Revenue reserve			<u>98</u>		<u>33</u>
			<u>98</u>		<u>33</u>

The financial statements were approved by the Board on 20th July 2017 and signed on its behalf by:


Graham Biggs
Chair


Director

Registration number: 6178863

TOTAL RESPONSE LIMITED

STATEMENT OF CHANGES IN RESERVES

Year ended 31 March 2017

	2017 Revenue reserve £'000	2016 Revenue reserve £'000
At 1 April 2016	33	4
Surplus from Statement of Comprehensive Income	65	29
As at 31 March 2017	98	33

TOTAL RESPONSE LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 March 2017

	Notes	2017		2016	
		£'000	£'000	£'000	£'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	(a)		127		45
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		-		-	
Interest paid		-		-	
CAPITAL EXPENDITURE					
Proceeds on disposal of fixed assets		8		3	
Purchase on other tangible fixed assets		(70)		(7)	
			(62)		(4)
TAXATION			16		(-)
FINANCING					
Net shares issued		-		-	
			-		-
Net increase in cash and cash equivalents			81		41
Cash and cash equivalents at beginning of the year			88		47
Cash and cash equivalents at end of the year			169		88

(a) NET CASH GENERATED FROM OPERATING ACTIVITIES

	2017	2016
	£'000	£'000
Operating surplus	38	33
Depreciation	32	24
Decrease/(increase) in debtors	176	(243)
Increase in stock	(24)	(2)
(Decrease)/increase in creditors	(95)	233
Net cash inflow from operating activities	127	45

TOTAL RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

1. BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Statement of compliance

Total Response Limited has prepared financial statements in accordance with FRS 102.

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.

Property, Plant and Equipment (PPE) and depreciation

PPE 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%

Inventories

Inventories are stated at the lower of cost and net realisable value.

Cash and cash equivalents

This represents the total of assets which a business can use immediately to make payments. In general they include cash in hand, at bank and assets that can quickly be changed into cash.

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.

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.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are considered to be no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

TOTAL RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2017

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

	2017			2016	
	Turnover £'000	Operating costs £'000	Operating surplus/ (deficit) £'000	Turnover £'000	Operating surplus/ (deficit) £'000
External work of TRL	527	(450)	77	408	92
Internal work of TRL	5,609	(5,648)	(39)	5,600	(59)
Facilities management	432	(432)	-	422	-
	6,568	(6,530)	38	6,430	33

3. FINANCE INCOME

	2017 £'000	2016 £'000
Interest receivable from bank deposits	-	-

4. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2017 £'000	2016 £'000
<i>Surplus on ordinary activities before taxation is stated after charging:</i>		
Depreciation of tangible fixed assets	32	24
Auditors' remuneration (excluding VAT):		
In their capacity as auditors	5	5
In respect of other services	-	-
Amounts payable in respect of hire of plant and machinery	495	489
Amounts payable in respect of rents of land and buildings	209	185

5. STAFF COSTS

	2017 £'000	2016 £'000
Wages and salaries	2,728	2,797
Social security costs	231	213
Other pension costs	121	134
	3,080	3,144

	Number	Number
Average number of full time equivalent persons employed during the year based on 35 -39 hours per week	107	109

These were categorised as:

Office teams	12	13
Operatives	95	96
	107	109

TOTAL RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

6. DIRECTORS EMOLUMENTS

	2017 £'000	2016 £'000
The remuneration paid to the Managing Director of TRL was:	36	40
Total emoluments including pension (this is net of recharge to SHG of £54k for finance role)	37	41

7. TAXATION

	2017 £'000	2016 £'000
Surplus on ordinary activities before tax	42	36
Tax on surplus on ordinary activities at 20% (2016 - 20%)	8	7
Indexation	-	-
Costs not deductible for tax purposes (primarily depreciation on tangible fixed assets)	7	(6)
Prior year adjustment	-	-
Capital allowances (restricted claim)	(15)	-
Previous year tax over provision	(23)	6
Current (credit)/charge on the accounts	(23)	7

8. TANGIBLE FIXED ASSETS

	Office equipment fixtures & fittings £'000	Plant & machinery & vehicles £'000	Total £'000
Cost			
At beginning of year	123	285	408
Additions	63	7	70
Disposals	(38)	(59)	(97)
At end of year	148	233	381
Depreciation			
At beginning of year	70	272	342
Charge for the year	21	11	32
Eliminated on disposals	(33)	(60)	(93)
At end of year	58	223	281
Net book value			
At 31 March 2017	90	10	100
At 31 March 2016	53	13	66

TOTAL RESPONSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2017

9. INVENTORIES

	2017 £'000	2016 £'000
Consumable maintenance stock	<u>262</u>	<u>238</u>

10. DEBTORS

	2017 £'000	2016 £'000
Due within one year		
Prepayments and accrued income	253	237
Amount due from other Group companies	42	234
	<u>295</u>	<u>471</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £'000	2016 £'000
Trade creditors	208	224
Amount owed to other Group companies	359	524
Accruals and deferred income	146	58
Corporation tax	-	7
Other taxation and social security	15	17
	<u>728</u>	<u>830</u>

12. FINANCIAL INSTRUMENTS

The carrying values of the Association's financial assets and liabilities are set out in the following notes to the financial statements:

Financial liabilities

Measured at undiscounted amount payable

- Trade and other creditors (note 11)

13. CALLED UP SHARE CAPITAL

	2017 £	2016 £
Issued and fully paid shares of £1 each:		
At beginning of year	1	1
Issued during the year	-	-
Relinquished during the year	-	-
At end of year	<u>1</u>	<u>1</u>

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 the Shropshire Housing Limited group accounts.

TOTAL RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

15. CAPITAL COMMITMENTS

	2017 £'000	2016 £'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	-	-

16. OTHER FINANCIAL COMMITMENTS

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

	2017			2016
	Property £'000	Plant £'000	Total £'000	Total £'000
Operating leases which expire:				
Within 1 year	-	207	207	163
2 - 5 years	-	340	340	113
Over 5 years	-	-	-	-
	-	547	547	276

17. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2016 or 31 March 2017.

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 the exemption not to disclose intra-group transactions.