

Total *Response*

Annual Report &
Financial Statements

For the year ended
31 March 2018



Contents

Section	Page
Company Information	3
Report of the Directors	4
Independent auditor's report to the members of Total Response Limited	8
Statement of Comprehensive Income	10
Statement of Financial Position	11
Notes to the Financial Statements	12

Company Information

Company Number 6178863

Directors Michael McCarthy, Chair, (appointed March 2018)
Jake Berriman (resigned September 2018)
Graham Biggs
Peter Brown (appointed July 2017, resigned March 2018)
Paul O'Driscoll (appointed March 2018)
Sonia Higgins (resigned July 2017, re-appointed March 2018)
David Lincoln (appointed July 2017)
Christopher Mellings (resigned March 2018)
James Williamson (appointed July 2017)

Secretary Jen Hayball (July 2017 to July 2018)
Richard Woolley (appointed July 2018)

Registered office The Gateway
The Auction Yard
Craven Arms
Shropshire
SY7 9BW

Auditors External Auditor: Internal Auditor:
KPMG LLP Beever & Struthers
One Snow Hill
Snow Hill Queensway
Birmingham
B4 6GH

Solicitor Anthony Collins
134 Edmund Street
Birmingham
B3 2ES

Report of the Directors

The directors present their report together with the audited financial statements for the year ended 31 March 2018.

Financial Performance

This is Total Response Limited's (TRL) 11th trading period since formation. The Company has delivered a small surplus of £2,000 compared with a £65,000 surplus in 2017.

Turnover has increased by £572,000 in the year, with the increases driven across all key areas but largely arising from the growth in services delivered to group entities, Meres & Mosses Housing Association and South Shropshire Housing Association.

South Shropshire Housing Association commissioned work to the value of £3.4 million (2017: £3.2 million) and Meres and Mosses Housing Association commissioned £2.6 million (2017: £2.4 million). Private works accounted for £566,000 (2017: £527,000) and facilities management of £601,000 (2017: £432,000). This is the second year where the "price per property" scheme has been in place to deliver the repairs service for South Shropshire and Meres and Mosses Housing Associations.

Operating expenditure increased by £633,000 to £7.163 million (2017: £6.530 million). The key drivers of the reduction in operating profit are a number of non-operational variances which include:

- Reclaim of VAT of £27,000 relating to the previous financial period
- Increase to the annual leave provision of £30,000
- Increase to the bad debt provision of £23,000

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

Report of the Directors (continued)

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 Connexus Housing Group (formerly, Shropshire Housing Group) and external customers, and any other enterprises within the communities of Shropshire and Herefordshire and neighbouring areas.

The Company's principal activities include the provision of consultancy and other non-charitable activities such as property maintenance and management of market rent properties to deliver profit for the parent and to contribute to the charitable aims of the group.

Parent Company

Connexus Housing Limited is registered with the Cooperative and Community Benefit Societies Act 2014, Registered No. 30269R. It is also registered with and regulated by the Regulator of Social Housing in accordance with the Housing and Regeneration Act 2008, Registered No. LH 4494. It has charitable objects, and is a charity for tax purposes (reference XT4980).

Directors and Directors' Indemnities

The directors of the Company who were in office during the year and up to the date of signing the financial statements are set out on page three. As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. The Company also purchased and maintained throughout the year directors' and officers' liability insurance in respect of itself and its directors.

Employees

The Company has no direct employees. All employee services are provided by the parent or subsidiary entities and are recharged to the Company at cost.

Going concern

After making enquiries the Board has a reasonable expectation that the Company has adequate resources to continue its operational activities for the foreseeable future, being a period of twelve months after the date on which the report and financial statements were signed.

Annual General Meeting

The annual general meeting will be held on 6th September 2018 at the registered office, The Gateway, Auction Yard, Craven Arms.

Report of the Directors (continued)

Independent Auditor

KPMG LLP were appointed by the Board in November 2017. A resolution to reappoint KPMG LLP, as independent auditor, will be put to the members at the annual general meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The report of the director's was approved by the Board on 27 September 2018 and signed on its behalf by:



Michael McCarthy
Director
27 September 2018



Richard Woolley
Secretary

Report of the Directors (continued)

Statement 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 financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) FRS 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 these 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and;
- 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 them 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 to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditor

The directors who held office at the date of approval of these financial statements confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware. Each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Report of Directors and the financial statements were approved by the Board on 21 August and signed on its behalf by:



Michael McCarthy
Director

27 September 2018



Richard Woolley
Secretary

Independent auditor's report to the members of Total Response Limited

Opinion

We have audited the financial statements of Total Response Limited ("the company") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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

Independent auditor's report to the members of Total Response Limited (continued)

- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Sarah Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill, Snow Hill Queensway

Birmingham B4 6GH

Date: 27 September 2018

Statement of Comprehensive Income

For the period ended 31 March 2018

	Notes	2018 £'000	2017 £'000
Turnover	3	7,140	6,568
Operating expenditure	4	(7,163)	(6,530)
Operating profit / (loss) on ordinary activities before taxation		(23)	38
Gain/(loss) on disposal of PPE		11	4
Interest receivable		-	-
Interest and financing costs		(1)	-
Total profit / (loss) for the year before taxation		(13)	42
Tax on profit on ordinary activities*	5	15	23
(Loss)/profit for the year		2	65

The operating deficit for the financial year arises from the Company's continuing operations. There is no material difference between the profit/loss on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalent.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented.

Total Response Limited
Report and financial statements for the year ended 31 March 2018

Statement of Financial Position

As at the 31 March 2018

	Notes	2018 £'000	Restated 2017 £'000
Tangible Fixed Assets			
Tangible assets at cost	7	287	381
less: depreciation	7	(185)	(281)
		102	100
Current assets			
Stock	8	245	262
Trade and other debtors	9	716	295
Cash and cash equivalents	10	90	169
		1,051	726
Creditors: amounts falling due within one year	11	(995)	(700)
Net current assets / (liabilities)		56	26
Total net assets		158	126
Provisions	12	58	28
Capital and reserves			
Called up share capital	13	-	-
Income and expenditure account		100	98
Total shareholders' funds / (deficit)		158	126

The financial statements on pages 10 to 19 were approved by the Board and authorised for issue on 21 August and signed on its behalf by:



Michael McCarthy
Director
27 September 2018



Richard Woolley
Secretary

Notes to the Financial Statements

1. Legal status

Total Response Limited is a private company limited by shares, incorporated under the Companies Act 2006. The Company was incorporated on June 2007.

2. Accounting policies

The following accounting policies have been adopted as being appropriate to the Company's circumstances with regard to giving a true and fair view and have been applied consistently in dealing with items which are considered to be material in relation to the Company's financial statements.

a. Cash flow

The Company is exempt from producing a cash flow statement in accordance with FRS102.

b. Basis of Accounting

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the Companies Act 2006. The financial statements have been prepared in accordance with the historical cost convention, on an accruals and going concern basis.

c. Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue its operational activities for the foreseeable future, being a period of twelve months after the date on which the report and financial statements were signed. Total Response Limited is a vehicle of Connexus Housing Limited whose purpose is to allow the Group to carry out non-charitable trading activities and gift aid the profits to the parent to further its charitable activities. Its going concern is therefore based on the strength of the Group and would be supported by the parent if required on a one-off basis. However, trading activity is only carried out in pursuit of delivering a surplus. For this reason, it continues to adopt the going concern basis in the financial statements.

d. Turnover

Turnover represents fees receivable for the provision of services or management of properties for third parties and rental income received from 7 market rent properties. Turnover is recognized on completion or part-completion of works or services carried out, or as it falls due under contractual arrangements.

Notes to the Financial Statements (continued)

2. Accounting policies (continued)

e. **Management costs**

Corporate costs are recharged from Connexus Housing Limited on the basis of an estimation of expenditure incurred, except for specific items of expenditure, which are allocated directly.

f. **Reserves**

Total Response Limited has a general reserve that is unrestricted and can be applied freely, at the discretion of the Company (within its powers). The Company has not earmarked any of this reserve, as a designated reserve, at this point in time.

g. **Bad and doubtful debts**

Provision is made for fees receivable in relation to the provision of services to the extent that recovery is considered doubtful.

h. **Taxation**

The Company is liable to corporation tax on profits. Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results, as stated in the financial statements. The recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

i. **Value Added Tax**

The Group is registered for VAT. The Company is registered within the Group for VAT purposes. No VAT is liable on charges between the Company and the parent.

Total Response Limited
Report and financial statements for the year ended 31 March 2018

Notes to the Financial Statements (continued)

3. Turnover

	2018	2017
	£'000	£'000
External work	566	527
Services delivered to group entities	5,973	5,609
Facilities management	601	432
	7,140	6,568

4. Operating profit

	2018	2017
	£'000	£'000
Operating profit / (loss) is arrived after charging:		
Depreciation of tangible fixed assets	35	32
Auditors' remuneration for external audit services	6	6
Amounts payable in respect of hire of plant and machinery	450	495
Amounts payable in respect of rents of land and buildings	209	209

5. Tax on result/profit on ordinary activities

	2018	2017
	£'000	£'000
Profit on ordinary activities before tax	(13)	42
Tax on surplus of ordinary activities at 20%	-	8
Costs not deductible for tax purposes (primarily depreciation on tangible fixed assets)	-	7
Capital allowances (restricted claim)	-	(15)
Previous year tax over provision	(15)	(23)
Total tax credit included in profit or loss	(15)	(23)

6. Employees

The Company does not directly employ colleagues. Resources are provided by colleagues who are jointly employed by the parent or other group subsidiaries and are recharged directly to Total Response at cost.

The average number of employees providing services to Total Response Limited increased from 109 to 116 during the year.

Total Response Limited
Report and financial statements for the year ended 31 March 2018

Notes to the Financial Statements (continued)

6. Employees (continued)

The cost of these resources are broken down as follows:

	2018	2017
	£'000	£'000
Salaries	2,851	2,728
Social security costs	229	231
Other pension costs	135	121
	3,215	3,080

Directors' emoluments

The directors are also directors of the parent Connexus Housing Limited. Their emoluments are paid by the parent company which makes no recharge to Total Response Limited. Their roles to Total Response Limited are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company.

	Appointed	Resigned
Michael McCarthy	15/03/2018	-
Jen Hayball	27/07/2017	-
Jake Berriman	15/03/2018	-
Graham Biggs	16/04/2015	-
Peter Brown	27/07/2017	-
Paul O'Driscoll	15/03/2018	-
Sonial Higgins	15/03/2018	-
David Lincoln	27/07/2017	-
Christopher Mellings	08/09/2016	15/03/2018
James Williamson	27/07/2017	-

Total Response Limited
Report and financial statements for the year ended 31 March 2018

Notes to the Financial Statements (continued)

7. Tangible Fixed Assets

	Office equipment, fixtures & fittings £'000	Plant & Machinery £'000	Total £'000
Cost			
At 1st April 2017	148	233	381
Additions	14	23	37
Disposals	-	(131)	(131)
At 31st March 2018	162	125	287
Depreciation			
At 1st April 2017	58	223	281
Charge for the year	22	13	35
Eliminated on disposals	-	(131)	(131)
At 31st March 2018	80	105	185
Net book value			
At 31st March 2018	82	20	102
At 31 March 2017	90	10	100

8. Stock

	2018 £'000	2017 £'000
Consumable maintenance stock	245	262
	245	262

9. Trade and other debtors

	2018 £'000	2017 £'000
Due within one year:		
Trade debtors	226	177
Provision for bad debt	(122)	(84)
Amounts owed by group undertakings	389	42
Prepayments and accrued income	120	76
Other debtors	103	84
	716	295

Total Response Limited
Report and financial statements for the year ended 31 March 2018

Notes to the Financial Statements (continued)

10. Cash at bank and in hand

	2018	2017
	£'000	£'000
Cash and cash equivalents	90	169
	90	169

11. Creditors: amounts falling due within one year

	2018	Restated 2017
	£'000	£'000
Trade creditors	192	208
Amounts owed to group undertakings	632	359
Receipts in advance	-	-
Accruals and deferred income	143	118
Other creditors	-	-
Other taxation and social security	28	
Corporation tax	-	15
	995	700

The 2017 Creditors balance has been restated to reflect the £28,000 annual leave provision being reported within Provisions, as per Note 12.

12. Provisions for liabilities

	2018	2017
	£'000	£'000
At 1 April	28	-
Additions	30	-
Reversals	-	-
Prior year adjustment		28
At 31 March	58	28

The provision relates to unutilised annual leave for colleagues at the end of the financial year. The 2017 provision has been restated to reflect the amount previously reported within Creditors.

Total Response Limited
Report and financial statements for the year ended 31 March 2018

Notes to the Financial Statements (continued)

13. Called up share capital

	2018 Number	2017 Number
Number of £1 shares at beginning of the year	1	1
Relinquished during the year	-	-
Shares issued during the financial year	-	-
Number of shares at 31 March	1	1

14. Profit and loss account

	2018 £'000	2017 £'000
Balance at beginning of the period	98	33
Profit / (loss) for the financial period	(33)	65
	65	98

15. Reconciliation of movements in shareholders' funds

	2018 £'000	2017 £'000
Balance at beginning of the period	98	33
Profit / (loss) for the financial year / period	(33)	65
Distribution to shareholders in the form of gift aid	-	-
Tax credit on gift aid	-	-
Closing shareholders' funds / (deficit)	65	98

16. Other Financial Commitments

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

	Property £000	Plant £000	Total £000 2018	Total £000 2017
Operating leases which expire:				
Due within 1 year	-	295	295	207
Due within 2 - 5 years	-	639	639	340
	-	934	934	547

Total Response Limited
Report and financial statements for the year ended 31 March 2018

Notes to the Financial Statements (continued)

17. Pensions

All employees working within Total Response Limited have joint contracts of employment 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 Connexus Housing Limited group accounts.

18. Related party transactions

The directors of the Company are either employees or Board Members of the parent, Connexus Housing Limited. As the Company is a wholly owned subsidiary, it has taken advantage of the exemption under FRS8 not to disclose in full intra-group transactions.

19. Post balance sheet events

There are no post balance sheet events.

20. Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary of Connexus Housing Limited, a company registered under the Cooperative and Community Benefit Societies Act 2014 and regulated by the Homes and Communities Agency, and has taken advantage of the following exemptions:

- Exemption from producing a cash flow statement in accordance with FRS102
- Exemption from disclosing transactions or balances with entities which form part of the Group.

The consolidated financial statements of Connexus Housing Limited are available from the Company Secretary, Connexus Housing Limited, The Gateway, Auction Yard, Craven Arms, SY7 9BW.