



Homeforce Ltd

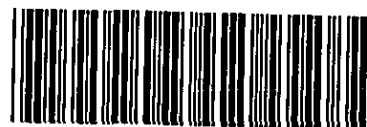
FINANCIAL STATEMENTS

PERIOD 1 APRIL 2012 - 31 MARCH 2013

(A private company limited by shares)

Registered number: 7374252

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Information

Board Members

Paul Barry	Operational Director	
Lisa Pinney	Finance Director	<i>Resigned 6th January 2013</i>
Lisa Pinney	Managing Director and Chair	<i>Appointed 6th January 2013</i>
Sarah-Ellen Stacey	Chair	<i>Resigned 6th January 2013</i>
John Wilcox	Non-executive Director	<i>Resigned 22nd May 2012</i>
Andrew Lycett	Non-executive Director	<i>Appointed 16th October 2012</i>

Company Secretary

Malcolm Wilson	<i>Resigned 7th February 2013</i>
Lisa Pinney	<i>Appointed 7th February 2013</i>

Registered Office

Tŷ Pennant
Mill Street
Pontypridd
CF37 2SW

External Auditor

KPMG LLP
3 Assembly Square
Britannia Quay
Cardiff Bay
Cardiff
CF10 4AX

Internal Auditor

RSM Tenon
Ground Floor
33 – 35 Cathedral Road
Cardiff
CF11 9HB

Solicitors

Morgan Cole
Bradley Court
Park Place
Cardiff
CF10 3DP

Bankers

Lloyds TSB Bank Plc
Market Square
Pontypridd
Mid Glamorgan
CF37 2TF

Company Registration No

Homeforce Ltd

7374252

Parent Company

RCT Homes Ltd

30261R

Directors' Report for the period 1 April 2012 - 31 March 2013

Report of the Board

The directors present their report and the audited financial statements for the period 1 April 2012 to 31 March 2013

Parent undertaking

Homeforce Ltd is a wholly owned subsidiary of RCT Homes Ltd (RCT Homes), which is an Industrial and Provident Society with Charitable Rules

Principal activities

The principal activity of Homeforce is to repair and service the heating systems of RCT Homes' tenants

Review of the period

Homeforce was incorporated on 13 September 2010 as a result of RCT Homes' main gas servicing contractor, Connaught, going into administration on 7 September 2010. RCT Homes took the decision to bring the gas servicing and repairs service in-house and 23 staff transferred into Homeforce under TUPE arrangements from Connaught Partnerships on 1 October 2010. RCT Homes nominated directors of Homeforce from within RCT Homes.

The core business of Homeforce is gas servicing and repairs. Homeforce's largest client is its parent company, RCT Homes which has a target of ensuring that all RCT Homes' tenanted properties have a valid gas safety certificate. During the year performance has continued to improve and Homeforce has remained a top performing team, with 100% compliance being achieved for 44 (2012: 21) weeks in the year (the last 29 weeks consecutively), including year end. This is coupled with performance on the number of services completed which totalled 10,435 in the year against the clients target of 9,682, a 7.7% over-performance.

The team has also performed exceptionally well in relation to responsive repairs and at year end, gas repairs performance stood at 99.9% (2012: 99.4%). During the year 11,147 gas repairs were issued to Homeforce with 11,134 attended and completed within agreed timescales.

During the year the Board of Directors agreed and implemented a new strategic direction for Homeforce which included moving into new work streams such as heating installations and electrical works. It was agreed by the RCT Homes Group Board that Homeforce would become the sole contractor for boiler and heating installations and would undertake half of the electrical improvement works programme. Homeforce also became the appointed contractor for the completion of the power flushing programme which forms part of the long term maintenance programme of the current stock in RCT Homes' properties.

In order to facilitate this expansion Homeforce re-structured its management team and created additional capacity with the creation of a Commercial Manager role. This has been appointed from within the RCT Homes Group on a secondment basis to minimise the risk to the Group and ensure a smooth transition into the new workstreams.

In the last quarter of the year Homeforce began the mobilisation of its new work streams, the majority of which became operational from April 2013. Appropriately qualified teams were recruited and trained, and works began on heating installations and electrical works. During the year 45 new installations were completed.

On a small level, Homeforce also began trading externally outside of the RCT Homes Group.

Future developments

In the forthcoming year the focus of Homeforce will be to embed its new work streams efficiently ensuring quality standards are met whilst achieving value for money for the group and maximising training opportunities.

It is the ambition of the Homeforce Board to expand its customer base outside of the RCT Homes Group. Through the role of the newly appointed Commercial Manager and a strategic marketing plan, this will be facilitated through direct competitive tendering and the RCT Homes maintenance framework, to which Homeforce was awarded to in April 2013.

Risks

During the year the management team embedded its risk management process and updated the business's risk map. Key business risks identified include over reliance on the parent company as its main source of income; ensuring quality control of new boiler installations; continuing to ensure access to tenants' homes in order to maintain 100% gas safety compliance, the development of appropriate technology and staff training and development. In conjunction with the client, Homeforce continues to identify new and innovative ways to keep performance at the required level.

Legal status

Homeforce is a private company limited by shares, registration number 7374252.

Annual General Meeting

The Annual General Meeting will be held on 1 July 2013 at Tŷ Pennant, Mill Street Pontypridd, CF37 2SW.

Auditor

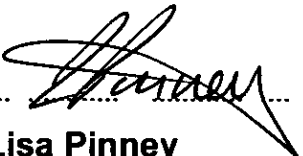
The Directors confirm that, as far as we are aware, there is no relevant audit information of which the company's auditor is individually unaware. The Directors also confirm that we have taken all the steps that we ought to have taken to make ourselves aware of any



relevant information, and to establish that the company's auditor is aware of that information

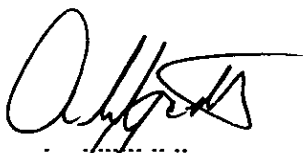
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

Approved on behalf of the Board by:


.....

Lisa Pinney
Managing Director and Company Secretary

Date: 7/6/13


.....

Andrew Lycett
Non-Executive Director

Date: 7/6/2013

Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements

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)

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



Independent Auditor's Report to the members of Homeforce Limited

We have audited the financial statements of Homeforce Limited for the year ended 31 March 2013 set out on pages 10 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities 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. 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.

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 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 2013 and of its profit for the year then ended,
- ⌞ have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- ⌞ have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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

Emma Holiday (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

3 Assembly Square

Britannia Quay

Cardiff Bay

Cardiff

CF10 4AX

Signature:

Date:

Profit and Loss Account for the Period
1 April 2012 - 31 March 2013

	Note	2013 £'000	2012 £'000
TURNOVER	2	1,502	1,280
Cost of sales	3	(1,093)	(931)
GROSS PROFIT		409	349
Administration costs	4	(277)	(264)
OPERATING PROFIT BEING PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	5	132	85
Taxation on profit for the period	8	(77)	(19)
PROFIT ON ORDINARY ACTIVITIES AFTER TAX BEING PROFIT FOR THE FINANCIAL PERIOD	16	55	66

The company's turnover and expenses all relate to continuing operations. There is no difference between the historic cost results and those shown on the profit and loss account above. There are no gains and losses other than those recognised in the profit and loss account.

The notes on pages 12 to 18 form part of these financial statements.

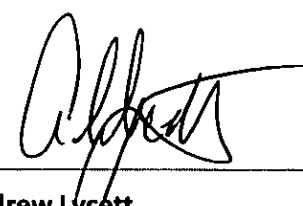
Balance Sheet at 31 March 2013

	Note	2013 £'000	2012 £'000
FIXED ASSETS			
Tangible fixed assets	11	10	19
CURRENT ASSETS			
Stock	12	24	12
Debtors	13	435	24
Cash at bank and in hand		34	259
		493	295
Creditors Amounts falling due within one year	14	(354)	(220)
NET CURRENT ASSETS		139	75
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS		149	94
CAPITAL AND RESERVES			
Share capital	15	-	-
Profit and loss account	16	149	94
SHAREHOLDERS' FUNDS	16	149	94

The financial statements on pages 10 to 18 were approved by the Board on 21 May 2013 and were signed on its behalf by


 Lisa Pinney
 Managing Director and Company Secretary

Date: 7/6/13


 Andrew Lycett
 Non-Executive Director

Date: 7/6/2013

Notes to the Financial Statements for the Period

1 April 2012 - 31 March 2013

1. Accounting policies

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the company's financial statements

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The Board is satisfied that the current accounting policies are appropriate for the company.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

The company has taken the advantage of the exemption granted under Financial Reporting Standard 8, from the requirement to disclose transactions with entities that are part of the group headed by the company's ultimate parent undertaking or investees of that group qualifying as related parties, on the grounds that 100% of the voting rights in the company are controlled within the group and the company's ultimate parent undertaking includes the company in its own published financial statements.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate as the company has net assets, net current assets, is profitable and is cash generative.

Legal status

Homeforce is a company limited by shares, registered under the Companies Act 2006 and is a wholly owned subsidiary of RCT Homes Ltd, a company limited by guarantee.

Turnover

Turnover is recognised when the company has met the conditions to entitlement, which is generally when the service is performed.

Value Added Tax (VAT)

Homeforce is registered for VAT and forms part of the RCT Homes VAT Group, number 974 9592 50.

Creditor payments

The company seeks to settle all supplier accounts in accordance with the relevant terms of business once it is satisfied that a supplier has fulfilled its obligations.

Stock

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

Operating leases

The rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Fixed assets and depreciation

A cost threshold of £1,000 for capitalisation applies.

Depreciation is calculated to write off the cost of the fixed asset on a straight line basis over the estimated useful life The rates used, where applicable, are

🏠 Freehold buildings	50 years	🏠 Furniture, fixtures & fittings	10 years
🏠 Office equipment	5 years	🏠 General equipment	4 years
🏠 Computer hardware	3 years	🏠 Computer software	5 years
🏠 Plant and tools	4 years	including development	
🏠 Vehicles - new	4 years	🏠 Vehicles – used	3 years

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

RCT Homes group will take advantage of any opportunities to offset tax of another group company

2. Turnover

	2013	2012
	£'000	£'000
Trading income	1,502	1,280

All turnover is derived from the UK and relates to the principal activity

3. Cost of sales

	2013	2012
	£'000	£'000
Salaries	580	517
Other cost of sales	513	414
Total	1,093	931

4. Administration costs

	2013	2012
	£'000	£'000
Salaries	137	79
Other administration costs	140	185
Total	277	264

5. Operating profit

Operating profit is stated after charging

	2013	2012
	£'000	£'000
Depreciation	12	11
Audit fee	2	5
Operating lease rentals	13	37

Audit fees are recharged from the ultimate undertaking, RCT Homes Ltd

6. Operating leases

As at 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows:

	2013	2012
	£'000	£'000
Operating leases that expire		
Within one year	13	-
Between two and five years	13	37
In more than five years	-	-
	26	37

7. Capital commitments

As at 31 March 2013 there were no capital commitments (2012 £Nil)

8. Taxation

	2013 £'000	2012 £'000
Current tax		
UK corporation tax	77	19
Adjustments in respect of previous period	2	-
Total current tax	79	19
Deferred tax		
Origination and reversal of timing differences	(2)	-
Tax on profit for the period	77	19

	2013 £'000	2012 £'000
Current tax reconciliation		
Profit on ordinary activities before tax	132	85
Profit multiplied by current rate of tax of 24% (2012 26%)	32	22
Effects of		
Differences between capital allowances and depreciation	2	1
Small companies relief	(1)	(4)
Adjustments in respect of prior periods	2	-
Group relief payable	44	-
Total current tax charge	79	19

In 2012/13 GrEW surrendered £58,000 of trading losses to Homeforce Ltd for which Homeforce compensated GrEW £58,000

Additionally, GrEW surrendered £56,882 of trading losses relating to 2011/12 and prior to Homeforce Ltd for which Homeforce compensated GrEW a sum of £13,763, the sum equal to the reduction in its taxation liabilities. This has been treated in the 2012/13 tax note as part of 'adjustment in respect of prior periods'

A deferred tax asset of £2,000 has been recognised in the year (2012: Nil). The asset relates to accelerated capital allowances and is included within Note 13 on debtors.

9. Emoluments of directors

No remuneration was paid to the members of the Board during the period (2012: £Nil).

10. Staff costs

	2013 £'000	2012 £'000
Staff costs during the period		
- Wages and salaries	649	537
- Other pension costs	12	5
- Social security costs	56	54
Total staff costs	717	596

During the year the company commenced offering a money purchase pension scheme with Scottish Widows. The terms of the scheme are a contribution of 4% from the employee, which is matched by 4% from the employer. All staff members are eligible to join.

	2013 No:	2012 No:
The average monthly number of staff – full time equivalent	22	22
This comprises		
Operatives	20	19
Administration	2	3
Total	22	22
Staff employed at year end - full time equivalent	30	21

11. Tangible fixed assets

	ICT equipment £'000	General equipment £'000	2013 Total £'000	2012 Total £'000
Cost				
At beginning of period	28	12	40	36
Additions during period	3	-	3	4
At end of period	31	12	43	40
Depreciation				
At beginning of period	15	6	21	10
Charge for period	9	3	12	11
At end of period	24	9	33	21
Net Book Value				
At end of period	7	3	10	19
At beginning of period	13	6	19	26

12. Stock

	2013 £'000	2012 £'000
Maintenance consumables	24	12

13. Debtors

	2013 £'000	2012 £'000
Prepayments	6	19
Trade debtors	20	4
Deferred tax asset	2	-
Amounts owed by group undertakings	407	1
	435	24

14. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	40	2
Salaries and employee costs	2	15
Accruals and deferred income	215	150
Amounts owed to group undertakings	80	34
Corporation tax	17	19
	354	220

15. Share capital

Authorised, allotted, called up and fully paid: 1 ordinary share of £1

16. Shareholders' funds

	Profit and loss account £'000	Share capital £'000	2013 Total £'000	2012 Total £'000
At beginning of period	94	-	94	28
Profit for the period	55	-	55	66
At end of period	149	-	149	94

Shareholders' funds of £149,000 (2012 £94,000) are the cumulative profit and loss to date and are non-distributable.

17. Ultimate parent undertaking

Homeforce is a wholly owned subsidiary undertaking of RCT Homes Ltd, an Industrial and Provident Society, company registration number 30261R

Group accounts have been prepared by the parent company and are available from the registered address.