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Homeforce

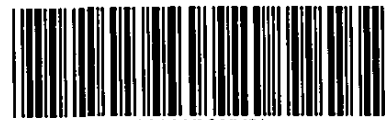
Homeforce Ltd

FINANCIAL STATEMENTS

PERIOD 13 SEPTEMBER 2010 - 31 MARCH 2011

(A private company limited by shares)

TUESDAY



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COMPANIES HOUSE



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Information

Board Members

| | | <i>Appointed</i> | <i>Resigned</i> |
|--------------------|-------|-------------------|------------------|
| Paul Barry | | 25 November 2010 | |
| Andrew Lycett | | 13 September 2010 | 25 November 2010 |
| Lisa Pinney | | 25 November 2010 | |
| Sarah-Ellen Stacey | Chair | 25 November 2010 | |
| John Wilcox | | 25 November 2010 | |
| Malcolm Wilson | | 13 September 2010 | 25 November 2010 |

Registered Office

Tŷ Pennant
Mill Street
Pontypridd
CF37 2SW

Company Secretary

Malcolm Wilson
(appointed 13 September 2010)

Solicitors

Morgan Cole
Bradley Court
Park Place
Cardiff
CF10 3DP

Bankers

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

External Auditors

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

Internal Auditors

The Internal Audit Association Ltd (TIAA)
Business Support Centre
54 – 56 Gosport Business Centre
Aerodrome Road
Gosport
Hampshire
PO13 0FQ

Company Registration No
Homeforce Ltd

7374252 (incorporated 13 September 2010)

Parent Company
RCT Homes Ltd

30261R

Directors' Report for the period 13 September 2010 – 31 March 2011

Report of the Board

The directors present their report and the audited financial statements for the period 13 September 2010 to 31 March 2011

Parent undertaking

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

Principal activities

The current principal services provided by Homeforce are to provide a gas servicing and repair service to RCT Homes' properties.

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. Gas servicing in the interim period was provided by Lovell's who supplied the required labour and RCT Homes supplied the materials. During this period 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 assisted with start up by nominating directors of Homeforce from within RCT Homes. Homeforce has spent the six months since incorporation setting up the processes, procedures and ICT infrastructure necessary to fulfil its' contractual requirements.

RCT Homes has a target of 100% gas servicing compliance. At 31 March 2011, compliance stood at 99.99% with only one property without a valid landlord's safety certificate.

Future developments

Over the forthcoming year the Board of Homeforce will consider the strategic direction of the organisation and will set the appropriate strategic objectives. This may include, if appropriate, how the client base can be expanded from solely the Parent Company by, for example, offering gas servicing to RCT Homes' leaseholders and external organisations.



Risks

With any new organisation, the key business risks surround the training of staff in the use of new technology and new processes and procedures. Other risks are trading risks surrounding access to tenant properties in order to achieve 100% gas servicing compliance. In conjunction with the client, Homeforce continually looks for ways in which 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 21 July 2011 at Tŷ Pennant, Mill Street Pontypridd, CF37 2SW

Auditors

The Directors confirm that, as far as we are aware, there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

KPMG LLP were appointed as first auditors to the company during the period.

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

Approved on behalf of the Board by:

A handwritten signature in black ink, reading "S. E. Stacey", written over a horizontal dotted line.

Sarah-Ellen Stacey

Chair of the Board

Date: 18 May 2011

A handwritten signature in black ink, reading "Malcolm Wilson", written over a horizontal dotted line.

Malcolm Wilson

Company Secretary

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 period. 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 judgments 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.



Report of the Independent Auditors, KPMG LLP, to the members of Homeforce Limited

We have audited the financial statements of Homeforce Limited for the period ended 31 March 2011 set out on pages 9 to 17. 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private/cfm.

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 2011 and of its profit for the period 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 period 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

E. 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 13 September 2010 - 31 March 2011

| | Note | 2011 £'000 |
|--|------|---------------|
| TURNOVER | 2 | 645 |
| Cost of sales | 3 | 479 |
| GROSS PROFIT | | 166 |
| Administration costs | 4 | 138 |
| OPERATING PROFIT BEING PROFIT ON ORDINARY ACTIVITIES BEFORE TAX | 5 | 28 |
| Taxation on profit for the period | 9 | - |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAX BEING PROFIT FOR THE FINANCIAL PERIOD | 6 | 28 |

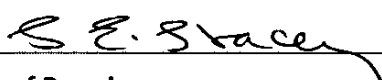
The company's turnover and expenses all relate to continuing operations. There is no difference between the historic cost results and those shown on the profit and loss account above. There are no gains and losses other than those recognised in the profit and loss account.

The notes on pages 11 to 17 form part of these financial statements.

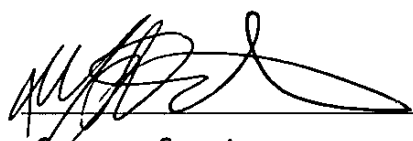
Balance Sheet at 31 March 2011

| | Note | 2011 £'000 |
|---|------|---------------|
| FIXED ASSETS | | |
| Tangible fixed assets | 13 | 26 |
| | | 26 |
| CURRENT ASSETS | | |
| Debtors | 15 | 18 |
| Stock | 14 | 12 |
| Cash at bank and in hand | | 319 |
| | | 349 |
| Creditors Amounts falling due within one year | 16 | 347 |
| NET CURRENT ASSETS | | 2 |
| TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS | | 28 |
| CAPITAL AND RESERVES | | |
| Profit and loss account | 6 | 28 |
| Shareholders' funds | 6 | 28 |

The financial statements on pages 9 to 17 were approved by the Board on 18 May 2011 and were signed on its behalf by



 Chair of Board



 Company Secretary

Registered number 7374252

Notes to the Financial Statements for the Period 13 September 2010 - 31 March 2011

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 law, United Kingdom Accounting & Financial Reporting Standards and under the historical cost convention

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 Board is satisfied that the current accounting policies are appropriate for the company

The financial statements have been prepared on a going concern basis

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.

Legal status

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

Turnover

Turnover is recognised when the company has met the conditions to entitlement

Accounting for grants

Grants received, are received and accounted for in accordance with the grant terms and conditions and the relevant treatment in accordance with other policies.

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 for assets are:

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

Value Added Tax (VAT)

Homeforce is registered for VAT from 14 October 2010 and forms part of the RCT Homes VAT Group.

2. Turnover

| | 2011 |
|----------------|--------------|
| | Total |
| | £'000 |
| Trading income | 645 |
| Total | 645 |

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

3. Cost of sales

| | 2011 |
|---------------------|--------------|
| | Total |
| | £'000 |
| Salaries | 259 |
| Other cost of sales | 220 |
| Total | 479 |

4. Administration costs

| | 2011 |
|----------------------------|--------------|
| | Total |
| | £'000 |
| Salaries | 61 |
| Other administration costs | 77 |
| Total | 138 |

5. Other charges

Operating profit is stated after charging

| | 2011 |
|-------------------------|--------------|
| | Total |
| | £'000 |
| Depreciation | 10 |
| Audit fee | 1 |
| Operating lease rentals | 18 |

6. Shareholders' funds

| | Profit and loss account £'000 | Share capital £'000 | Total £'000 |
|-------------------------|-------------------------------------|------------------------|----------------|
| At beginning of period | - | - | - |
| Profit for the period | 28 | - | 28 |
| At end of period | 28 | - | 28 |

7. Operating leases

As at 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows:

| | 2011 Total £'000 |
|------------------------------|------------------------|
| Operating Leases that expire | |
| Within one year | 37 |
| Between two and five years | 110 |
| In more than five years | - |
| | 147 |

8. Capital commitments

As at 31 March 2011 there were no capital commitments.

9. Taxation

| | 2011 Total £'000 |
|--------------------|------------------------|
| UK corporation tax | - |
| Deferred tax | - |
| | - |

| | 2011 Total £'000 |
|---|---------------------------------|
| <i>Current tax reconciliation</i> | |
| Profit on ordinary activities before tax | 28 |
| Profit multiplied by current rate of tax of 28% | 8 |
| <i>Effects of</i> | |
| Differences between capital allowances and depreciation | (6) |
| Small companies relief | (2) |
| Total current tax charge | - |

10. Emoluments of directors

No remuneration was paid to the members of the Board during the period.

11. Staff costs

| | 2011 Total £'000 |
|-------------------------------|---------------------------------|
| Staff costs during the period | |
| - Wages and salaries | 293 |
| - Social security costs | 25 |
| - Other pension costs | 2 |
| Total Staff Costs | 320 |

| | 2011 No: |
|---|---------------------|
| The average monthly number of staff – full time equivalent | 24 |
| This comprises | |
| Operatives | 18 |
| Administration | 6 |
| Total | 24 |
| Staff employed at year end - full time equivalent | 25 |

12. Share capital

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

13. Fixed assets

| | ICT equipment £'000 | General equipment £'000 | 2011 Total £'000 |
|-----------------------------|--------------------------------|--|---------------------------------|
| Cost | | | |
| At beginning of period | - | - | - |
| Additions during period | 25 | 11 | 36 |
| Disposals during the period | - | - | - |
| At end of period | 25 | 11 | 36 |
| Depreciation | | | |
| At beginning of period | - | - | - |
| Charge for period | 7 | 3 | 10 |
| Disposals during the period | - | - | - |
| At end of period | 7 | 3 | 10 |
| Net Book Value | | | |
| At end of period | 18 | 8 | 26 |
| At beginning of period | - | - | - |

14. Stock

| | 2011 |
|-------------------------|--------------|
| | Total |
| | £'000 |
| Maintenance consumables | 12 |
| | <u>12</u> |

15. Debtors

| | 2011 |
|-------------|--------------|
| | Total |
| | £'000 |
| Prepayments | 18 |
| | <u>18</u> |

16. Creditors: amounts falling due within one year

| | 2011 |
|------------------------------------|--------------|
| | Total |
| | £'000 |
| Trade creditors | 33 |
| Salaries and employee costs | 20 |
| Accruals and deferred income | 215 |
| Amounts owed to group undertakings | 79 |
| | <u>347</u> |

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.