

Financial Statements

31 March 2020

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Torus 62 Commercial Services Limited
Company number 05270846



Contents

	Page
Company Information	1
Report of the Directors	2
Independent auditor's report to the members of Torus 62 Commercial Services Ltd	5
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Reserves	10
Notes to the Financial Statements	11

Company Information

Directors

Mr I D Clayton (Chair) (resigned 26.09.2019)

Mr W Hughes

Mr R Middlemore

Mrs P McGrath (Chair) (appointed 27.09.2019)

Executive Directors

Mr P Fieldsend

Mr P Worthington

Ms C Murray Howard (appointed 07.10.2019)

Company Secretary

Mr P Fieldsend (resigned 31.03.2020)

Mr R Clawson (appointed 01.04.2020)

Registered office

Helena Central
4 Corporation St
St Helens
Merseyside
WA9 1LD

Registered number

05270846

Auditors

BDO LLP
5 Temple Square
Temple Street
Liverpool
L2 5RH

Bankers

National Westminster Bank PLC
5 Ormskirk Street
St Helens
WA10 1DR

Report of the Directors for the Year ended 31 March 2020

The directors present their report and the audited financial statements for the year ended 31 March 2020.

The Board and Executive Officers

The Board and Executive Officers are listed on page 1 of this report. The Board is responsible for leading, directing, controlling, scrutinising and evaluating the work of the company.

During 2019/20, the company continued to operate as part of the Torus62 Limited group. Membership of Boards and Committees within the group governance structure were reviewed on the basis of skills and competencies. A Common Board was put in place with Housing Maintenance Solutions, a sister company within the group.

Principal activities and Going Concern

The principal activities of the Company were to undertake non charitable trading activities on behalf of external bodies. These relate primarily to building services carried out for private individuals and external organisations.

As at 1 April 2019, Torus 62 Commercial Services Ltd was a subsidiary, wholly owned by Torus62 Limited. On 1 July 2019, the company was purchased by its sister company Housing Maintenance Solutions (HMS) Ltd. and the contracts were transferred under a Business Transfer Agreement.

The company is being wound down following purchase by HMS. On this basis the financial statements have been prepared on a basis other than that of a going concern. The effect of this is explained in note 2.

Torus 62 Commercial Services Ltd had a £100,000 investment in Caribou Green Warmth LLP which was a Green Deal Special Purpose Vehicle set up specifically to deliver energy efficiency projects. This investment represented a 40% stake, and the company was jointly owned by the Riverside Housing Group (40%) and Starfish Consultants Ltd (20%). The company was dissolved on 14th May 2019.

Financial Performance

An overall profit of £154k (15% net margin) was made in 2019-20, which represents the quarter to 30 June 2019, following which the business and assets and liabilities of the company were transferred to Housing Maintenance Solutions Limited.

The Statement of Financial Position shows net assets of £1.

Donations

No charitable donations were made during the period.

Directors

The present directors of the Company are set out on page 1.

Report of the Directors for the Year ended 31 March 2020 (continued)

Gift Aid

No Gift Aid has been reflected in relation to the year to 31st March 2020.

Dividends and Transfers to Reserves

No dividends have been proposed. The profit for the year of £153,587 will be transferred in full to the revenue reserve.

Future Proposals

The company will be wound down when existing contractual obligations expire.

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The Directors are responsible for preparing the Report of the Board 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 the Directors have elected to prepare the financial statements in accordance with 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'. 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 and 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 accounting estimates that are reasonable and prudent and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 2 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the Directors for the Year ended 31 March 2020 (continued)

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

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Annual General Meeting

Torus 62 Commercial Services Limited is not required to hold an Annual General Meeting under its articles of association.

Approval

The Report of the Directors has been prepared in accordance with the special provisions of Part 15 (chapter 1) of the Companies Act 2006 relating to small companies.

The Report of the Directors was approved by the Board on 17 December 2020 and signed on its behalf by:



Mrs P McGrath
Chair

Independent auditor's report to the members of Torus 62 Commercial Services Ltd

Opinion

We have audited the financial statements of Torus 62 Commercial Services Limited ("the Company") for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in reserves and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 2 to the financial statements which explains that as a consequence of a restructuring process during the year all trade, assets and liabilities have been transferred to another group company. Following the cessation of trade the company is no longer a going concern and the financial statements of the Company have therefore been prepared on a basis other than that of a going concern. Note 2 also explains the effect of using this alternative basis. Our opinion is not modified in this respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of Torus 62 Commercial Services Ltd (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report to the members of Torus 62 Commercial Services Ltd (continued)

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

The logo for BDO LLP, featuring the letters 'BDO' in a bold, sans-serif font, followed by 'LLP' in a smaller, similar font.

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Liverpool, UK

11 February 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	3	1,022,969	3,055,952
Cost of sales		<u>(851,178)</u>	<u>(4,136,485)</u>
Gross profit/(loss)		171,791	(1,080,533)
Administrative expenses		(1,933)	(15,479)
Impairment of investment		-	(20,000)
Interest payable	4	<u>(16,271)</u>	<u>(60,289)</u>
Operating profit/(loss)		153,587	(1,176,301)
Income from associate		<u>-</u>	<u>7,174</u>
Profit/(loss) before taxation		153,587	(1,169,127)
Tax on profit/(loss) on ordinary activities	7	<u>-</u>	<u>222,134</u>
Profit/(loss) after taxation		<u>153,587</u>	<u>(946,993)</u>

There are no recognised gains and losses for the current year other than as stated above.

The above operations relate to activities which ceased on 30 June 2019.

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

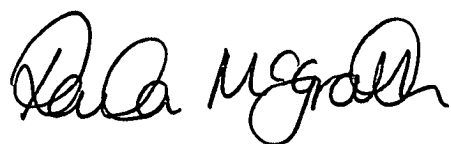
Statement of Financial Position

Year Ended 31 March 2020

	Note	2020 £	2019 £
Current assets			
Housing held for sale		-	110,079
Debtors	9	1	1,411,741
Cash at bank and in hand		-	83,019
		<u>1</u>	<u>1,604,839</u>
Creditors: amounts falling due within one year	10	-	(2,537,472)
Net current liabilities		<u>1</u>	<u>(932,633)</u>
Total assets less current liabilities		<u>1</u>	<u>(932,633)</u>
Total net assets		<u>1</u>	<u>(932,633)</u>
Reserves			
Share capital	11	1	1
Profit and loss account	12	-	(932,634)
Total reserves		<u>1</u>	<u>(932,633)</u>

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

The financial statements were approved by the Board on 17 December 2020 and signed on its behalf by:



Mrs P McGrath
Chair

Company number: 05270846

Statement of Changes in Reserves

Year Ended 31 March 2020

	Revenue reserve	Share Capital	Total reserves
	£	£	£
Balance at 31st March 2018	14,360	1	14,361
Profit for the year	(946,994)	-	(946,994)
Balance at 31st March 2019	<u>(932,634)</u>	<u>1</u>	<u>(932,633)</u>
Profit for the year	153,587	-	153,587
Capital contribution on disposal of trade (note 18)	779,047	-	779,047
Balance at 31st March 2020	<u><u>-</u></u>	<u><u>1</u></u>	<u><u>1</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the year ended 31

March 2020

1. LEGAL STATUS

Torus 62 Commercial Services Ltd is a limited company incorporated in England and was previously a subsidiary to Helena Partnerships Limited. Following the amalgamation of Torus62 Limited and Liverpool Mutual Homes Limited in January 2019 it became a subsidiary of Torus62 Limited with Torus62 Limited being the sole shareholder. In May 2019 the shares were transferred to Housing Maintenance Solution Limited, the commercial subsidiary of the Group, and on 1 July 2019 the assets and liabilities were transferred to Housing Maintenance Solutions Limited.

The financial statements are presented in sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with UK accounting standards, including Financial Reporting Standard 102, "the Financial Reporting standard applicable in the United Kingdom and the Republic of Ireland", and with the Companies Act 2006. The financial statements are presented in sterling (£).

The company has adopted the following disclosure exemptions as per FRS102:

- the requirement to present a statement of cash flows and related notes;
- The requirement to disclose key management personnel compensation;
- financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments, and exposure to and management of financial risks.

Going Concern

As part of the amalgamation between Torus62 Limited and Liverpool Mutual Homes Limited, it was agreed that Housing Maintenance Solutions Limited would be the commercial contracting arm of the new Torus62 Limited. The existing assets, liabilities and activities of Torus 62 Commercial Services Limited have therefore been transferred to Housing Maintenance Solutions on 1 July 2019. As a result the company has ceased to trade and the financial statements have been prepared on a basis other than that of a going concern. No adjustments were required as a result of preparing the financial statements on this basis. The financial statements have been prepared using the most appropriate accounting policy to present a true and fair view of the company's financial position whilst, where possible following the Financial Reporting Standard FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006. The measurement bases are more fully described in the accounting policies below. There have been no significant adjustments made in applying the company's accounting policies.

Notes to the Financial Statements for the year ended 31

March 2020 (continued)

Turnover

Turnover consists of the invoiced value (excluding VAT) for goods and services supplied to third parties.

Stocks

Stocks and work in progress are stated at the lower of cost or net realisable value.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction price and are measured subsequently at amortised cost using the effective interest method.

Taxation

The charge for taxation is based on the taxable profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

3. TURNOVER

100% of turnover represents sales inside the UK.

4. INTEREST PAYABLE

	2020	2019
	£	£
Inter-company interest charged	<u>16,271</u>	<u>60,289</u>

Notes to the Financial Statements for the year ended 31 March 2020 (continued)

5. GIFT AID

No Gift Aid has been reflected in relation to the year to 31st March 2020. (2019: £Nil).

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Torus 62 Commercial Services Ltd has no directors whose pro rata salaries were £60,000 or above (2019: one director (excluding pension contributions) in the range of £80,000 to £90,000.

Average monthly number of employees expressed in full time equivalents:

2020	2019
Average	Average
Number	Number
15	10
15	10

Employee costs:

	2020	2019
	£	£
Wages and salaries	139,670	308,098
Social security costs	14,721	33,470
Other pension costs	7,034	15,343
	<u>161,425</u>	<u>356,911</u>

Notes to the Financial Statements for the year ended 31

March 2020 (continued)

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	2020	2019
	£	£
Corporation Tax		
Current taxation	-	-
Deferred taxation		
- current year	-	(222,134)
- other	-	-
Tax on surplus on ordinary activities	<u>-</u>	<u>(222,134)</u>

Deferred Tax	2020
	£
At 1 April 2019	234,264
Transferred to HMS Ltd	<u>(234,264)</u>
At 31 March 2020	<u>-</u>

8. INVESTMENT IN ASSOCIATES

The Company had invested £100,000, representing a 40% stake in Caribou Green Warmth LLP. The company was dissolved on 14th May 2019. Based on the LLP agreement the value of TCS 40% share was £80,000.

	2020	2019
	£	£
At 1 April	-	100,000
Return on investment	-	(80,000)
Impairment of investment	-	(20,000)
At 31 March	<u>-</u>	<u>-</u>

Notes to the Financial Statements for the year ended 31 March 2020 (continued)

9. DEBTORS

	2020	2019
	£	£
Trade debtors	-	1,153,018
Deferred tax (note 7)	-	234,264
Investment income	-	7,174
Torus62 Ltd - Share Capital	-	1
Amounts due from group undertakings	1	17,284
	<u>1</u>	<u>1,411,741</u>

Debtors include no amount which is due after more than one year.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	-	487,168
Intercompany loan	-	2,000,000
Amounts due to Group undertakings	-	998
HM Revenue and Customs - VAT	-	25,401
HM Revenue and Customs - CIS	-	8,592
HM Revenue and Customs - Income Tax and National Insurance	-	15,313
	<u>-</u>	<u>2,537,472</u>

The inter-company loan related to a revolving £2m loan facility from Torus62 Limited to Torus 62 Commercial Services Limited.

Notes to the Financial Statements for the year ended 31 March 2020 (continued)

11. SHARE CAPITAL

	2020	2019
	£	£
Authorised share capital: 100 ordinary shares of £1 each		
Share issued at 31 March 2019	1	1
Shares issued 1 April 2019 to 31 March 2020	-	-
Share issued at 31 March 2020	1	1

On 1 April 2019 one share was held by Torus62 Limited. The remaining 99 shares cannot be issued to third parties in the future without the consent of Torus62 Limited. Therefore, Torus 62 Commercial Services Ltd was fully controlled by Torus62 Limited.

In May 2019 the shares were transferred to Housing Maintenance Solution Limited, the commercial subsidiary of the Group, which is wholly owned by Torus62 Limited. Therefore, Torus 62 Commercial Services Ltd remains fully controlled by Torus62 Limited.

12. RESERVES

Share capital represents the nominal value of shares that have been issued.

Revenue reserve includes all current and prior period retained profits and losses.

13. ULTIMATE PARENT COMPANY

Torus 62 Commercial Services is owned by Torus62 Limited.

14. CASHFLOW STATEMENT

Under FRS102 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

15. CAPITAL COMMITMENTS

The Company has no capital commitments which are contracted for but not provided in the accounts.

Notes to the Financial Statements for the year ended 31 March 2020 (continued)

16. OPERATING LEASE COMMITMENTS

The Company has no operating lease commitments.

17. RELATED PARTY DISCLOSURES

Torus62 Ltd, the Company's parent, undertook work for Torus 62 Commercial Services Ltd.

Interest charged on intercompany loans was charged on commercial terms.

In the year, no payments have been made to Torus62 Limited.

TCS was 40% owner of a joint venture, Caribou LLP. During the year to 31 March 2019 the investment was written down to £nil. No transactions happened with Caribou LLP in 2020 - £nil (2019: £nil).

18. TRANSFER OF TRADE AND ASSETS

On 1 July 2019 Torus 62 Commercial Services Limited transferred its trade and assets to Housing Maintenance Solutions Limited for a cash consideration of £1. As a transaction between two wholly owned subsidiaries of Torus62 Limited the transaction has been reflected using the book values of the assets and liabilities and the net liabilities transferred have been reflected in the statement of changes in equity as a capital contribution received on disposal of trade.

The book values are summarised as follows:

	£
Current assets:	
Stock and work in progress	110,079
Debtors	1,391,304
Cash at bank in in hand	144,795
Total assets	<u>1,646,178</u>
Current liabilities:	
Creditors due within one year	<u>(425,226)</u>
Total net assets	1,220,952
Creditors due in more than one year	<u>(2,000,000)</u>
Net liabilities disposed of	(779,048)
Consideration received	<u>1</u>
Capital contribution received on transfer of net liabilities	<u><u>(779,047)</u></u>