

Charminster Close Residents Company Ltd

Financial Statements for the year ended

31 December 2013

Company Number 01274809

Charminster Close Residents Company Ltd

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

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CHARMINSTER CLOSE RESIDENTS COMPANY LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31ST DECEMBER 2013

The Directors submit their report together with the financial statements for the year ended 31st December 2013.

PRINCIPAL ACTIVITIES

The principal activities of the company are to manage, maintain and administer the land and buildings at Charminster Close, Nythe, Swindon.

The terms that the company operates under include:

- a) a head lease entered into between the company and the freeholder
- b) a sub-lease between the company as lessor and leaseholders who are entitled to be shareholders
- c) the "Right To Manage" provisions of the Commonhold and Leasehold Reform Act 2002.

BUSINESS REVIEW

The "Right To Manage" was exercised under the provisions of the Commonhold and Leasehold Reform Act 2002 by Charminster Close RTM Company Ltd in 2007. The RTM Company duly appointed Charminster Close Resident's Company Ltd to manage the property on behalf of the leaseholders.

Current year

The Service Charge for the calendar year 2013 was £996 (2012: £960) inclusive of annual ground rent at £65 (2012: £65), payable in four instalments on the usual quarter days commencing 25 December 2012. The company will also accept either 12 monthly instalments of £83 (2012: £80) or £936 (2012: £900) annually if paid in full, in advance no later than 31 December of the preceding year assuming there no arrears brought forward.

During 2013 work included; replacing all the internal communal lights with low energy motion detector LED lighting, connecting all five blocks to one communal electricity supply thereby reducing the standing charges, paving to the footpaths leading to each block and commissioning of railings to be erected in early 2014 to replace a section of unsound boundary wall. The company also arranged and coordinated a grant to provide free cavity wall insulation to each property at no cost to leaseholders other than the provision of electricity to the installers. This should help to reduce heating costs and condensation during the winter. There were a number of water leaks during the year causing damage to the flats below and a fire in one of the second floor properties. Two of the properties were repossessed by mortgage companies, one following a series of police visits and evictions. These incidents required liaison between owners, tenants, insurers, police and loss adjusters. The grounds are managed on a communal basis and benefited from replanting and tree maintenance during the year.

2014

During 2014 work will include; repairs to boundary walls and erection of a section of low maintenance railings and work to the communal floor coverings.

DIVIDENDS

No dividends were paid or proposed during the year (2012 Nil)

CHARMINSTER CLOSE RESIDENTS COMPANY LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31ST DECEMBER 2013

COMMONHOLD AND LEASEHOLD REFORM ACT 2002

Sections 152 and 156 of the Commonhold and Leasehold Reform Act were due to have commenced during 2010. Items that these sections were likely to require include:

- a) That service charge transactions cease to be shown within the accounts of the Company, as funds held by the Company are held in trust on behalf of tenants (leaseholders). Given that these proposals have yet to be enacted and no guidance has yet been issued on the new format to be adopted the directors have prepared these accounts on the same basis as previous years in order to maintain consistency.
- b) An Income and Expenditure Report and Balancing Statement be produced within six months of a year in a format similar to that shown on page 8 of the notes to these accounts.

AUDIT

The company has taken advantage of The Companies Act 2006 (Audit Exemptions) Section 477(2).

RESERVES

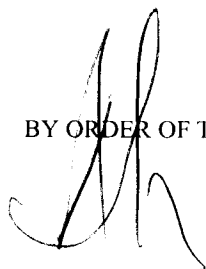
During the year ended 31 December 2013 the company's reserves increased by £3,911 (2012: declined by £1,518). £4,800 has been transferred to the designated roof repair reserve (2012: £4,800) and £889 transferred from general reserves (2012, £6,318) to meet maintenance costs during the year.

DIRECTORS

The following directors held office during the whole period from 1 January 2013 to the date of this report.

Philip George Harwood
John Robert Morris

BY ORDER OF THE BOARD



John R Morris FCMA CGMA AIRPM
Director
1 January 2014

Registered office: 15 Windsor Road, Swindon SN3 1JP www.charminsterclose.co.uk
Company Number 01274809

CHARMINSTER CLOSE RESIDENTS COMPANY LIMITED			
Profit and Loss Account			
For the year ended 31 December:-		2013	2012
	Note	£	£
TURNOVER	2	29,951	29,150
Operating charges		(26,412)	(30,951)
OPERATING SURPLUS/(DEFICIT)		3,539	(1,801)
Interest receivable	7	322	283
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR	8	3,861	(1,518)

CHARMINSTER CLOSE RESIDENTS COMPANY LIMITED

Balance Sheet as at:-		31st December 2013		31st December 2012	
	Note	£	£	£	£
Current Assets					
Cash at Bank		74,833		60,758	
Debtors	3	3,178		2,665	
		78,011		63,423	
Creditors : Amounts falling due within one year	4	(18,717)		(7,990)	
Net Current Assets			59,294		55,433
Total Assets Less Current Liabilities			59,294		55,433
Capital and Reserves					
Called up share capital	5		30		30
Shareholders' Funds - equity interests			30		30
Service Charge reserves	8		30,464		31,403
Designated Reserve (roof fund)	8		28,800		24,000
Service Charge reserves	12		59,264		55,403
Total			59,294		55,433

- a. For the year ending 31 December 2013 the company was entitled to exemption under section 477(2) of the Companies Act 2006.
- b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- c. The directors acknowledge their responsibility for:
- ensuring the company keeps accounting records which comply with Section 386; and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as is applicable to the company.



Philip Harwood

Director

The financial statements were approved by the board of directors on 1 January 2014

CHARMINSTER CLOSE RESIDENTS COMPANY LIMITED			
Cash flow statement	Note	2013	2012
		£	£
Net cash inflow from operating activities	9	13,753	3,121
Returns on investments and servicing of finance			
Interest received	7	322	283
Increase in cash		14,075	3,404

CHARMINSTER CLOSE RESIDENTS COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2013

1. ACCOUNTING POLICIES

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

(a) Basis of Preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting convention.

2 TURNOVER

Turnover represents the amounts derived from the provision of services during the year, exclusive of value added tax.

	<u>31.12.13</u>	<u>31.12.13</u>	<u>31.12.12</u>	<u>31.12.12</u>
		£		£
Service Charges		26,130		25,050
Other income:				
Instalment fees	1,200		1,300	
Ground Rent	1,950		1,950	
Other: including debt collection fees and door entry fobs.	671	3,821	850	4,100
		<u>29,951</u>		<u>29,150</u>

3 DEBTORS

	<u>31.12.13</u>	<u>31.12.12</u>
	£	£
Trade Debtors (outstanding Service Charges*)	601	391
Other Debtors	25	0
Prepaid expenses	2,552	2,274
	<u>3,178</u>	<u>2,665</u>

*Flat 1 £83, Flat 9 £515, Flat 10 £3

4 CREDITORS: Amounts falling due within one year

	<u>31.12.13</u>	<u>31.12.12</u>
	£	£
Accrued expenses	7,840	1,119
Leaseholders' RTE fund	1,857	1,830
Service Charges received in advance	9,020	5,041
	<u>18,717</u>	<u>7,990</u>

5 SHARE CAPITAL

	<u>31.12.13</u>	<u>31.12.12</u>
	£	£
Authorised: ordinary shares of £10 each	30	30
Allotted, called up and paid: ordinary shares of £10 each	30	30

6 TRANSACTIONS WITH DIRECTORS

During the year John Morris together with his wife Diana Morris were employed by the company and each paid £1,300 (2012: £Nil) as a Management Fee. Accounting Services Ltd a company partly owned by John Morris was paid £674 (2012: £670) including VAT in accountancy fees. These amounts are included as part of the relevant costs in the Income and Expenditure account.

7 INTEREST RECEIVABLE

	<u>31.12.13</u>	<u>31.12.12</u>
	£	£
Bank Interest (net of tax)	220	40
Interest on Service Charges	102	243
	<u>322</u>	<u>283</u>

CHARMINSTER CLOSE RESIDENTS COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2013

8 RECONCILIATION OF RESERVES

	Total	Service Charges allocated as:	
	£	Designated	Non-Designated
	£	£	£
As at 1st January 2013	55,403	24,000	31,403
Retained surplus for the year	3,861	4,800	(939)
As at 31st December 2013	<u>59,264</u>	<u>28,800</u>	<u>30,464</u>

The Designated Reserve is a sinking fund established to provide funds to maintain the flat roofs. The directors consider that this fund will be sufficient to provide for the costs to the next re-roofing works anticipated in about 2023 at a cost estimated at £72,000.

9. - 10.

NOTES TO THE CASH FLOW STATEMENT

9 Reconciliation of operating profit to operating cash flows

	<u>31.12.13</u>	<u>31.12.12</u>
	£	£
Operating surplus/(deficit)	3,539	(1,801)
(Increase)/decrease in debtors (note 3)	(513)	1,615
Increase in operating creditors (note 4)	10,727	3,307
Net cash inflow from operating activities	<u>13,753</u>	<u>3,121</u>

10 Analysis of changes in cash during the year.

	<u>31.12.13</u>	<u>31.12.12</u>
	£	£
Balance brought forward	60,758	57,354
Net cash inflow	14,075	3,404
Balance at year-end	<u>74,833</u>	<u>60,758</u>

11 Detailed Income and Expenditure

	<u>31.12.13</u>	<u>31.12.12</u>
	£	£
Total Income (note 2)	29,951	29,150
Service Charge expenditure:		
Insurance	(3,842)	(3,460)
Electricity	(665)	(239)
Cleaning	(2,280)	(1,540)
Grounds maintenance	(2,848)	(3,208)
Paving	(1,850)	-
Repairs and maintenance	(2,915)	(4,670)
CCTV system	(187)	(5,025)
Management Fees	(2,600)	-
Communal door repairs	-	(2,420)
Boundary railings	(6,029)	-
Door entry system	-	(7,128)
Communal TV aerial system	(371)	(392)
Sundry	(127)	(209)
Companies House and Data Protection fees	(74)	(40)
Accountancy	(674)	(670)
	<u>(24,462)</u>	<u>(29,001)</u>
Ground rent	(1,950)	(1,950)
Total expenditure	<u>(26,412)</u>	<u>(30,951)</u>
Operating surplus/(deficit)	3,539	(1,801)
Add Interest receivable (note 7)	322	283
Retained surplus/(deficit) prior to transfer to reserves	<u>3,861</u>	<u>(1,518)</u>
Transfer to Designated Roof Fund (note 8)	(4,800)	(4,800)
Transfer from General Reserves (note 8)	<u>(939)</u>	<u>(6,318)</u>

CHARMINSTER CLOSE RESIDENTS COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2013

12 Income and Expenditure Account

- as will be required by the Commonhold and Leasehold Reform Act 2002

Income:	<u>31.12.13</u>	<u>31.12.12</u>
	£	£
Service Charges receivable from tenants		
Service Charges	26,130	25,050
Additional income	3,150	3,250
Total	29,280	28,300
Interest	322	283
Other Income	671	850
Total Income	30,273	29,433

Expenditure:

Repairs and Maintenance

Communal TV system maintenance	371	392
Boundary railings	6,029	-
Paving	1,850	-
CCTV system	187	5,025
Other repairs, maintenance and cleaning	5,195	15,758
	13,632	21,175

Grounds Maintenance	2,848	3,208
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Professional Fees

Accountancy fees	674	670
Management fees	2,600	-
	3,274	670

Insurance	3,842	3,460
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Utilities

Electric	665	239
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General Expenses

Postage and Stationery	127	209
Companies House and Data Protection Fees	74	40
	201	249

Total Expenditure	24,462	29,001
Plus Ground Rent	1,950	1,950
(Deficit)/Surplus at end of accounting period	3,861	(1,518)
Surplus transferred to designated roof repair sinking fund	(4,800)	(4,800)
(Deficit)/Surplus Transferred (from)/to Reserves	(939)	(6,318)

Balancing Statement

	<u>31.12.13</u>	<u>31.12.12</u>
Assets	£	£
Sums paid in this period but relating to a subsequent period	2,552	2,274
Service Charges not yet received	601	391
Cash at bank	74,833	60,758
	77,986	63,423
Liabilities		
Service Charges received in advance	(9,020)	(5,041)
Leaseholders' RTE fund	(1,857)	(1,830)
Charminster Close Residents Company Ltd share capital	(30)	(30)
Costs relating to this or previous period but not yet paid	(7,840)	(1,119)
Current Liabilities	(18,747)	(8,020)
Net Assets	59,239	55,403

Designated Reserve brought forward	24,000	19,200
Designated reserve roof repairs from current year	4,800	4,800
	28,800	24,000

Reserves brought forward	31,403	37,721
Transfer from reserves	(939)	(6,318)
Surplus to reserves	30,464	31,403
Reserve Funds	59,264	55,403