

Heronbridge Close RTM Company Ltd

Report of the Directors and unaudited Financial Statements for the year ended

31 December 2017
Company limited by guarantee No 05494732

Heronbridge Close RTM Company Ltd

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2017

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HERONBRIDGE CLOSE RTM COMPANY LTD

REPORT OF THE DIRECTORS

YEAR ENDED 31ST DECEMBER 2017

The Directors submit their report together with the financial statements for the year ended 31st December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the company is to manage, maintain and administer land and buildings at Heronbridge Close, Westlea, Swindon. The company is a "Right To Manage" (RTM) company operating under the standard RTM Articles of Association as determined by the Commonhold and Leasehold Reform Act 2002.

BUSINESS REVIEW

The Right to Manage was acquired on the following dates; block 1-6 and 19-24 Heronbridge Close from 1 February 2006, block 7-12 from 25 December 2008 and block 13-18 from 1 July 2014. This is therefore, the third year that the whole site has been managed by the company.

The service charge for the year to 31 December 2017 was £370 per property (2016: £555) with an additional charge of £200 (being £1,200 in total) agreed by leaseholders for the properties in block 13-18 as they had exercised RTM most recently. This is to begin equalising the funds held for each block. A further discount of £60 (2016: £60) was available to leaseholders paying early.

In the year maintenance work began to upgrade the communal TV and satellite system in block 13-18 to bring this up to the same standard as the three blocks that had exercised their Right To Manage previously.

It was agreed by leaseholders that the service charge reserves for block 13-18 will be accounted for separately from the reserves for the other blocks until the funds per block are equalised.

AUDIT

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

SERVICE CHARGE ACCOUNTS

The directors have produced the statutory accounts for the year on a consistent basis to show the service charge accounts passing through the company as they consider the company is acting as a principal rather than agent to the members.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Diana A Morris
John R Morris FCMA CGMA MIRPM

BY ORDER OF THE BOARD

Diana Morris

Diana A Morris
Director
4 January 2018

Registered Office:
15 Windsor Road
Swindon
SN3 1JP

HERONBRIDGE CLOSE RTM COMPANY LTD

Registered Number 05494732

Income Statement

For the year ended 31 December 2017

		2017	2016
	Notes	£	£
TURNOVER	2	9,300	12,567
Administrative expenses	11	(6,947)	(7,547)
OPERATING SURPLUS		2,353	5,020
Interest receivable and similar income	7	313	338
RETAINED SURPLUS FOR THE FINANCIAL YEAR	8	2,666	5,358

HERONBRIDGE CLOSE RTM COMPANY LTD
Registered Number 05494732

Balancing Statement as at 31 December 2017		31st December 2017	31st December 2016
	Notes	£	£
CURRENT ASSETS			
Cash at Bank		44,694	41,872
Debtors	4	499	115
		<u>45,193</u>	<u>41,987</u>
CREDITORS			
Amounts falling due within one year	5	(5,957)	(5,417)
NET CURRENT ASSETS		39,236	36,570
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>39,236</u>	<u>36,570</u>
RESERVES			
Service charge reserves	8	39,236	36,570
Leaseholders' Funds		<u>39,236</u>	<u>36,570</u>

- a. For the year ending 31 December 2017 the company was entitled to exemption from audit under section 477 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:
 - i. ensuring the company keeps accounting records which comply with Section 386; and
 - ii. 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.

Diana Morris

Diana A Morris

Director

The financial statements were approved by the board of directors on 4 January 2018.

HERONBRIDGE CLOSE RTM COMPANY LTD
Registered Number 05494732

Cash flow statement		2017	2016
	Note	£	£
Net cash inflow from operating activities	9	2,509	3,523
Returns on investments and servicing of finance			
Interest received	7	313	338
Increase in cash		<u>2,822</u>	<u>3,861</u>

HERONBRIDGE CLOSE RTM COMPANY LTD

Registered Number 05494732

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2017

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the financial Reporting Standard for Smaller Entities (effective January 2015).

2 TURNOVER

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

	<u>31.12.17</u>	<u>31.12.16</u>
	£	£
Service Charges	7,440	11,880
Additional service charges for block 13-18	1,200	-
Bank compensation received	-	50
Debt collection fee	-	37
Instalment and late payment charges	660	600
	<u>9,300</u>	<u>12,567</u>

3 OPERATING PROFIT

The operating surplus is stated after charging:

	<u>31.12.17</u>	<u>31.12.16</u>
	£	£
Directors' remuneration (management fees)	<u>2,495</u>	<u>2,410</u>

4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31.12.17</u>	<u>31.12.16</u>
	£	£
Trade Debtors (<i>outstanding Service Charges</i>)	370	5
Payments in advance (<i>prepaid insurance cover</i>)	129	110
	<u>499</u>	<u>115</u>

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31.12.17</u>	<u>31.12.16</u>
	£	£
Accrued expenses (costs not yet paid)	632	727
Service Charges received from leaseholders in advance	5,325	4,690
	<u>5,957</u>	<u>5,417</u>

6 RELATED PARTY DISCLOSURES

During the year the directors John and Diana Morris incurred service charges of £1,100 (2016: £1,550). Accounting Services Ltd, a company owned by the directors charged accountancy fees to the company of £480 (2016: £450). These amounts are included as part of the relevant costs in the Income and Expenditure account.

	<u>31.12.17</u>	<u>31.12.16</u>
	£	£
Amounts owed by the company at the year end (included in creditors) were:		
Accrued expense - accountancy fee	480	450
Service Charges received from leaseholders in advance	1,100	1,550
	<u>1,580</u>	<u>2,000</u>

HERONBRIDGE CLOSE RTM COMPANY LTD
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NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2017

7 INTEREST RECEIVABLE		31.12.17	31.12.16		
		£	£		
Bank Interest		313	338		
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8 SERVICE CHARGE RESERVES	Block 1-6 £	Block 7-13 £	Block 13-18 £	Blocks 19-24 £	Total £
As at 1st January 2017	11,352	11,352	2,514	11,352	36,570
Additional service charges receivable block 13-18 (note 2)			1,200		1,200
Expenses chargeable to block 13-18 only (note 11)			(972)		(972)
Remaining surplus for year at 25% per block	610	610	610	610	2,438
Total surplus for the year (note 11)	610	610	838	610	2,666
As at 31st December 2017	11,962	11,962	3,352	11,962	39,236

9 - 10.

NOTES TO THE CASH FLOW STATEMENT

9 Reconciliation of operating surplus to operating cash flows		31.12.17	31.12.16
		£	£
Operating surplus		2,353	5,020
(Increase)/decrease in debtors (note 4)		(384)	14
Increase/(decrease) in operating creditors (note 5)		540	(1,511)
Net cash inflow from operating activities		2,509	3,523
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10 Analysis of changes in cash during the year.		31.12.17	31.12.16
		£	£
Balance brought forward		41,872	38,011
Net cash inflow		2,822	3,861
Balance at year-end		44,694	41,872

HERONBRIDGE CLOSE RTM COMPANY LTD
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NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2017

The following note does not form part of the statutory accounts:

11 Detailed Income and Expenditure	<u>31.12.17</u>	<u>31.12.16</u>
	Total	Total
	£	£
Total Income (note 2)	9,300	12,567
Building maintenance	(40)	-
Boundary fencing and railings	-	(1,640)
Grounds Maintenance - gardening	(1,496)	(1,632)
Paving repairs	(60)	(58)
Management fees	(2,495)	(2,410)
Accountancy	(480)	(450)
Insurance	(1,357)	(1,307)
Sundries incl postage and website	(34)	(37)
Companies House fee	(13)	(13)
<i>It was agreed by leaseholders at the last Annual General Meeting that expenditure on the following items would be chargeable only to block 13-18 reserves whilst that block is brought up to standard of remainder of the site:</i>		
Initial Car park maintenance - charged 2015	-	
Additional grounds maintenance - charged 2015	-	
Communal TV reception system - to be incurred 2017 and 2018	(972)	
Install guttering to porches - due in 2018	-	0
	(6,947)	(7,547)
Operating surplus	2,353	5,020
Add Interest received (note 7)	313	338
To service charge reserves (note 8)	<u>2,666</u>	<u>5,358</u>